Federal Aviation Administration

PROJECT/MATERIEL MANAGEMENT DESK GUIDE

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PREFACE

This guide describes the procedures required to properly manage and control National Airspace System (NAS) facilities and equipment (F&E) projects. The guide was written to provide an easy-to-use "how to" tool to assist personnel working at all levels in the area of NAS F&E project and materiel management. It explains what is expected of people in different organizations and functional positions as well as how to accomplish what is expected.

Guidance comes from the following Federal Aviation Administration (FAA) Orders, updated to include recent changes in agency accounting and property management policy and instructions pertaining to the project and materiel management process.

- 4650.7A, Management of NAS F&E Project Materiel
- 4650-30, Management and Control of NAS F&E Projects/Materiel
- 2700.31, Uniform Accounting System Operations Manual
- National Airspace System Implementation Program (ANI) Standard Operating Procedure (SOP) 70, Closeout/Capitalization

Direct any questions relating to information contained in this guide to the NAS Logistics Property Management Division, AFZ-500, at 202 267-9686.

Steven I. Rothschild
Program Director for Resources
Management, AFZ-1

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PART 1

OVERVIEW

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1-1. **PURPOSE**. The purpose of the NAS Facilities and Equipment (F&E) project/materiel management process is to:

a. Make sure materiel requirements planning for approved programs is accomplished to provide for adequate and timely development of maintenance and logistics support, procedures, and requirements.

b. Make sure project materiel is used for its budgeted purpose except as authorized by the Integrated Product Team (IPT) lead or to satisfy an emergency operational requirement.

c. Make sure FAA properly accounts for both aspects of asset management; i.e., physical (materiel management) and financial (accounting), as defined below.

1-2. **PHYSICAL (ASSET) MANAGEMENT**.

a. Materiel management's primary concern is about the physical accountability of an asset: what it is, where it is, and who has responsibility of ownership. It is the process of properly identifying, managing, and controlling FAA's physical assets that is important.

b. Physical assets acquired for F&E projects are classified as project materiel and are contained in an inventory system called the Regional Project Materiel Management System (RPMMS). When an F&E project is closed out, the project materiel and its dollars are transferred from RPMMS and the financial Work in Process (WIP) account. This action moves the assets and their associated costs to an in-use asset account; e.g., Personal Property In-Use Management System (PPIMS), Real Property (RPR)/Real Estate Management System (REMS), and/or the Logistics and Inventory System's Field Spares Inventory (FSI) module.

Regardless of its ultimate designation however, while in RPMMS, it is neither real or personal property, but project materiel.

c. Management and control of physical assets has nothing to do with whether or not accounting capitalizes or expenses their costs. "Formal" records are maintained for real and personal property that either meet the agency criteria as "capital" (valued at $25,000 or more) or "accountable" (valued at less than $25,000). For personal property, the accountability threshold for test equipment begins at $100, while for other property categories, the accountability level can begin at $2,500. For definitions and examples of real and personal property, see Appendix A, "Property Classifications."

1-3. **FINANCIAL (ASSET) MANAGEMENT**. Financial management makes sure dollars appropriated to FAA are spent in accordance with law and the intent of Congress. To do this, accounting has set up various general ledger accounts in the Department Accounting and Financial Information System (DAFIS). FAA annually submits financial statements showing the value of our capital assets and our expenses (the cost of “running the business”). For proper financial accountability, assets and expenses must be accurately classified in our general ledger and expense accounts. FAA Order 2700.31, contains guidance on financial accountability. For further information, contact the Financial Policy, Systems, and Reports Division, AFM-300.

a. Capitalization.

(1) Capitalization is the process by which financial assets are recorded as either part of our net worth or the cost of doing business. It is the financial recording in FAA’s general ledger accounts for Plant Property and Equipment (PP&E) that reflects our net worth (which is the total value of our capital assets). Except for

land, capitalized assets are depreciated over a predetermined period of two or more years.

(2) Costs to acquire capital assets or improve existing capital assets are classified as eligible capital costs. Eligible capital costs incurred to acquire a capital asset include all costs expended to bring the asset to a form and location suitable for its intended use. Costs that improve existing assets include those which: (1) increase the estimated service life of the asset, (2) increase the capacity of the asset, or (3) improve the performance of the asset. See Appendix B, Financial Treatment of Typical FAA Costs, for a listing of what costs should be considered for capitalization. Capital assets include personal and real property meeting all of the following criteria:

- Costs $25,000 or more.
- Has a useful life expectancy of 2 years or more.
- Does not lose its identity when placed in use.

(3) Allocation of costs to the proper property classification is very important (see Appendix A). Normally, the life expectancy of real property is much longer than for personal property. For example, if dollars associated with a real property asset are mistakenly capitalized to a personal property asset, then those dollars would be depreciated at a much faster rate. This understates the value of PP&E and overstates our current year expense.

b. Expense. This is an accounting term for applying the cost of an asset or service to our current year's operations, as reported in our annual financial statements. In general, we expense all costs that do not meet the requirements for capitalization and charge them to the accounting period in which the costs were incurred.

1-4. **AUTOMATED DATA PROCESSING (ADP) SYSTEMS.**

Appendix C, Sample Reports, contains sample automation reports cited in this guide.

a. Capital Budget Management System (CBMS). The CBMS consists of a Budget Formulation Module (BFM), a Budget Execution Module (BXM), and Budget Allowance and Allotment Module (BAM). Hardware, software, and communications responsibility for this system is within the Capital Budget Division, ABU-300.

(1) Budget Formulation Module. The BFM is used to record and display budget sub-line item (BSLI) information for current and prior year F&E budget submissions. BFM information is updated with each "cycle" within the F&E budget formulation process; e.g., submission to OST, the Office of Management and Budget (OMB), Congress, and the final appropriation. It contains the following data: BSLI, project code, fiscal year, BSLI title, Capital Investment Plan (CIP) number, program sponsor, and BSLI dollar amount.

(2) Budget Execution Module. The BXM is used for the following:

- Electronic preparation of the F&E project authorization (PA) requests and electronic submission of the same to Office of Budget (ABU)
- Preparation and distribution of ABU-signed PAs
- Display of F&E PAs and related DAFIS F&E accounting information
- Preparation and transmittal of F&E appropriation status reports and F&E reprogramming reports to FAA headquarters, regions, centers, OST, OMB, GAO, and Congress

- Financial monitoring and control of all F&E appropriations

(3) Budget Allowance and Allowance Module. The BAM is used by ABU-300 to prepare and distribute budget allowances and allotments.

b. Materiel Delivery Forecast Module (MDFM). MDFM identifies future key equipment delivery dates by providing long term delivery estimates for all F&E major end items (2 to 10 years prior to actual project authorization). Delivery dates in the MDFM are the best dates available to the IPT/Product Team (PT) lead, based on planning schedules or those established in contracts. MDFM's goal is to account for major end item delivery information on all NAS projects as well as regionally generated F&E projects. Programmatic responsibility for this module is within the Financial Management Staff, AND-210.

c. Resource Tracking Program (RTP). RTP is made up of several software tools to facilitate F&E processes and procedures. It provides comprehensive budget planning, scheduling, monitoring, statusing, and controlling tools for F&E projects. It integrates all facets of the NAS F&E project life cycle, from project conception and budgetary control to closeout action. Programmatic responsibility for this module is within the NAS Planning and Support Division, ANS-100. The ANI Implementation Centers (IC) have primary management oversight of their local RTP database.

HINT: Regional accounting and logistics divisions require electronic access to the RTP regional system. This is to be set up between the regional and IC IRM staffs.

d. Project Materiel Management System (PMMS). PMMS is a module of the LIS. It provides the mechanism by which IPTs and the regions manage their project materiel requirements until the project has been completed and closed out. Programmatic responsibility for this module is within the NAS Logistics Property Management Division, AFZ-500.

(1) F&E projects for installation into, or modification of, the NAS are entered into PMMS by the applicable IPT whenever nationally furnished project materiel is provided. Most originate from approved project materiel lists (PML) established during the budget process.

(2) PMMS accumulates project materiel requirements from regional and headquarters program offices on a daily basis and compares those requirements against the NAS F&E inventory. It produces reports of project status, materiel asset requirements, and allows for on-line requisitioning.

e. RPMMS. This system provides physical inventory management and control over project materiel within a specific region. It is a nationally managed, regionally distributed system. The 20th of each month is the established cut-off date for RPMMS. Programmatic responsibility for this system is within the NAS Logistics Property Management Division, AFZ-500.

f. DAFIS. This is the Department's accounting system used to track dollars authorized, obligated, expended and capitalized for NAS F&E projects, segregating expenditures by the source of funds (national, regional, or other). The 30th of the month is the established cut-off date for DAFIS. Programmatic responsibility for this system is within the Office of Financial Management (AFM).

HINT: Regional logistics division and ICs require electronic access to the DAFIS 32-9F and MIR reports. This is to be set up between the regional and IC IRM staffs.

g. Personal Property In-Use Management System (PPIMS). PPIMS is the primary tool used to manage FAA's in-use personal property assets. Programmatic responsibility for this system is within the NAS Logistics Property Management Division, AFZ-500.

h. The Real Property Record/Real Estate Management System (RPR/REMS) is the primary tool used to manage the FAA's in-use real property assets. Programmatic responsibility for this system is within the Real Estate Policy Branch, ASU-140.

1-5. **HEADQUARTERS ORGANIZATIONS, TITLES, AND FUNCTIONS.**

a. Program Sponsor. This is the FAA organizational element that generates system requirements and represents the user in the acquisition process.

b. IPT Lead. (As used in this guide, "IPT" refers to both IPTs and PTs.) This is the individual within the IPT delegated overall responsibility for a NAS F&E program. This includes ultimate control over nationally furnished project materiel until commissioning.

c. Washington Item Manager (WIM). This is the person within the headquarters acquisition IPT assigned direct management control responsibility for specific categories of nationally furnished project materiel.

d. ABU makes sure our F&E budgetary needs are accurately identified, defined, and effectively presented to Department of Transportation (DOT), OMB, and Congress, and that appropriated funds and other resources are used effectively.

e. The Office of Financial Management (AFM) provides F&E accounting and payment, financial advisory, and audit liaison services for the FAA, and implements policy for, and evaluation of, FAA's F&E accounting subsystems.

f. Airway Facilities Service (AF)

(1) Resource Management Program (AFZ). The NAS Logistics Property Management Division, AFZ-500, has overall program responsibility for policies, guidance, systems, training, and evaluation relating to the management and control of project materiel.

(2) ANI provides engineering, construction, installation, integration, and optimization of facilities and systems needed to support the modification of the NAS. Within ANI, the Engineering Center (EC) determines overall program scope, schedule, resource, and cost issues. The EC approves IC-prepared budgets, develops preliminary specifications, standardizes engineering approaches, and determines standard equipment and layout requirements.

1-6. **REGIONAL ORGANIZATIONS, TITLES, AND FUNCTIONS.**

a. The ANI ICs have overall responsibility for a program (radar, navigation aid, etc.) in a region.

(1) The IC project manager, sometimes referred to as the Regional Associate Program Manager (RAPM) is the individual within the IC who has overall responsibility for a program (radar, navigation aids, etc.) at the IC. He/she is the IC counterpart to the IPT lead in headquarters.

(2) The budget/program analyst is the individual within the IC who works with the IC project manager to provide financial and budgetary support, and analyses of various projects assigned to the project manager.

(3) The project engineer, in the IC, is responsible for planning, drafting, and performing all engineering actions required to accomplish F&E projects. He or she has overall management control of the construction and installation phases of an F&E project. Various other titles used for this function include: installation engineer/technician; COTR, construction representative, or resident engineer.

b. AF divisions are the ultimate "owners" and "managers" of the NAS facilities and systems

(1) The Systems Management Office (SMO) assist in the administration and management of NAS F&E projects at the field level. The SMO manager is responsible for an FAA facility including management and control over project materiel until it is installed or disposed of in some other way.

(2) Consignees are any facilities where project materiel is delivered until needed for project installation.

c. Logistics divisions plan, manage, and provide materiel and contractual support to NAS F&E projects. Within the logistics division, the F&E project materiel managers manage project materiel located within the region.

d. Accounting divisions provide accounting services, maintain regional accounting systems and financial data, reports, and analyses relating to NAS F&E projects.

1-7. **FAA LOGISTICS CENTER (FAALC) TITLES AND FUNCTIONS.** Within the Mike Monroney Aeronautical Center, the FAALC receives, stores, preserves, and issues FAALC-held project materiel. It provides engineering support, provisioning, and cataloging services and maintains various national LIS modules. Within the FAALC, the F&E item managers manage specific FAALC-held project materiel.

1-8. **ACRONYMS**. Appendix D, Acronyms, defines the acronyms used in this desk guide.

PART 2

PROJECT INCEPTION STAGE

(HOW IT ALL BEGINS)

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SECTION 1 - PROJECT INITIATION

2-1. **PROJECT INCEPTION STAGE DEFINED**. This stage includes identification and approval of project requirements, budget submission and approval, and development of procurement strategies. Once a project and its funding are approved, activity moves to the project materiel management stage (see Part 3).

2-2. DETERMINATION OF NEED

a. Mission analysis begins the FAA acquisition process with the identification of a need that is not being met by the current NAS. This is a forward-looking activity that evaluates the capacity of agency assets to satisfy existing and emerging demands for services. Need identification may be internally generated or the result of inputs from external sources. It may be generated by the FAA, DOT, a congressional mandate, by the military or another government agency. It may also come from a state or local government, by the private sector such as an airport authority, the airline industry, or the general aviation community.

b. Mission analysis brings to the Joint Resource Council (JRC) for consideration those critical needs the agency must address. It estimates the resources the agency will likely be able to commit to each mission need in competition with all others within the constraint of a realistic projection of future agency budget authority. The resource estimate becomes a "placeholder" in the agency's NAS architecture upon approval of mission need, and is quantified more accurately during investment analysis, and baselined at the investment decision.

c. Requirements identification, approval, and development of procurement strategies are covered in the Acquisition Management System (AMS). Life cycle acquisition management

policy and guidance are available on the internet at http://fast.faa.gov.

2-3. **DEVELOPING SYSTEM REQUIREMENTS.**

a. The program manager develops system requirements and shepherds the program through the investment analysis and decision process. Investment analysis translates mission need into top-level performance and supportability requirements. The requirements document sets criteria for conducting market analyses, alternative analyses, and affordability assessments. Investment analysis defines, in functional and performance terms, the capability FAA must have to satisfy mission need, and to determine and baseline the best overall solution for achieving that capacity.

b. Once the required analyses and assessments are completed, initial requirements are refined and revised into a final requirement document. This document establishes the operational framework and performance baseline in the Acquisition Program Baseline (APB) investment decision.

2-4. **IMPLEMENTING THE SOLUTION**. Solution implementation begins after the JRC selects a solution and establishes an acquisition program. Once the JRC approves the APB, the program may proceed. The IPT, as appropriate, assumes responsibility for the program, triggering the remainder of the program's life cycle. The IPT is completely responsible for overall system design, development, quality assurance, test and evaluation, and installation, including all acquisition, maintenance, and National Airspace System Logistics Support (NAILS) requirements. The IPT Lead validates all cost estimates for Washington-furnished equipment and validates regional and center estimates. The IPT Lead makes sure delivery date estimates of planned major end item acquisitions are accurately reflected in the MDFM, maintains and

reports on the cost, schedule, benefits, and performance baselines that are part of the approved APB.

> HINT. As used in this guide, "center" refers to either the Mike Monroney Aeronautical Center or the William J. Hughes Technical Center.

a. The Acquisition Strategy Paper defines the business and technical approach the IPT will use to implement the program. It defines management roles and responsibilities of key participants and addresses all aspects of acquiring, fielding, and managing the required capability. It also integrates planning for all functional disciplines, such as systems engineering, in-service support, test and evaluation, security, quality assurance, human integration, and configuration management. Development of this paper is the IPT's primary task after program approval at the investment decision, and is the basis for the Integrated Program Plan (IPP).

b. The IPP translates strategies in the Acquisition Strategy Paper into a set of detailed management, contracting, and technical actions, and work activities necessary to implement and manage a program over its life cycle. It encompasses all elements of program implementation, including acquisition of systems and equipment, construction of facilities, functional integration of planned capabilities within the existing infrastructure, and the procurement of services.

SECTION 2. REQUIREMENTS DEVELOPMENT

2-5. **RESOURCE TRACKING PROGRAM (RTP)**. RTP serves as the means for regions and centers to convey program requirements to headquarters. It accumulates these requirements into a revolving database.

a. ABU-300 annually provides valid budget line item and project code data to RTP to upload into regional modules. The IC platform responsible for planning and fiscal requirements solicits input from field offices and other divisions for requirements and justifications. This input is returned for regional validation and prioritization, and is forwarded to the regional IC engineering platforms to develop cost estimates, materiel, and labor resource requirements. Once complete, the submission is transmitted to headquarters.

b. IC engineering and planning personnel develop project networks to track and schedule outyear projects and personnel resources. Activities within the networks, such as electronic and plant engineering, construction, and flight checks, are linked to define various aspects/time lines of projects. Networks are used to generate various scheduling and resource reports.

c. Project scope is coordinated by the IC project manager in conjunction with the IPT, project engineers, and those organizations who will use the equipment once it is commissioned. Project engineers review and approve technical and quantitative requirements for both nationally and regionally furnished materiel for approved projects.

d. Project engineers establish initial project start dates. The IC project managers approve the start dates.

2-6. **NAS F&E PROJECT IDENTIFICATION STRUCTURE**. Regions use the following structure to identify and track F&E projects within the RTP:

a. Job Order Number (JON). A JON provides a means of identifying and classifying costs under FAA's accounting coding structure and is the key element by which property is tracked within RPMMS. The JON provides for the assignment and collection of costs and obligations. Each JON must be associated with a Job Control Number (JCN), see below. A JCN may have multiple JONs associated with it, but a JON can be assigned to only one JCN. Within DAFIS, and RPMMS, the JON alone is used.

b. Job Control Number. The JCN is used to manage an entire F&E project that can span multiple fiscal years. The JCN links all project schedule and resource requirements by relating all JONs associated with a project. While it can be used to identify a companion JON, the JCN is not used in the closeout and capitalization documentation process.

2-7. **PROJECT MATERIEL LIST (PML)**. Generic "template" PMLs are provided to the ICs through RTP for planning purposes (including all test equipment and cable requirements). The PML identifies nationally furnished project materiel associated with a specific project. The ICs can modify a PML by changing quantities or creating regional items as necessary. In addition to template PMLs, IPTs, regions, and centers may develop project-specific PMLs.

2-8. **SPECIAL JON TYPES**.

a. Group JONs. Group JONs are used when funding is provided to regions for use across the region for a single type of effort rather than for a specific project/site; e.g., making buildings

accessible to the handicapped or for contract labor to be used for many different projects. Examples of group JONs are shown below. Paragraphs 3-28.c and 4-11.b on pages 3-40 and 4-14 provide specific information on accounting and property management treatment of these special JON types.

- Hazardous/Occupational Safety and Health Administration (HAZ/OSHA)
- Regional Office (RO)/Various
- Logistics Support Service Contract (LSSC)/NAS Implementation Support Contract(or) (NISC)
- Technical Support Service Contract(or) (TSSC)

b. Special Projects (such as flood recovery)

2-9. **ESTABLISHING STOCK NUMBERS.**

a. Prior to final IPT PML validation, each item on a PML must have a stock number assigned which is listed on the LIS master inventory record.

b. WIMS review stock numbers while the regional submission is being developed. For items not included in the LIS master inventory record, a 14-digit item identification number must be obtained from the LIS Centralized Cataloging System. Until completed, the number will not be accepted in PMMS. The number is configured as follows:

1st - 4th digits	"8200"
5th - 6th digits	"00"
7th - 13th digits	7-digit numeric; i.e., "1234567"
14th digit	"1" to identify the item as F&E

2-10. **BUDGET TRACKING AND APPROVAL**

a. Congress provides an appropriation after reviewing and adjusting the DOT submission. Once provided, OMB apportions the appropriation and ABU provides authority to obligate and expend funds (through the allotment/allowance process) to appropriate activities.

b. Once funds are made available for obligation by means of an allowance document, IPTs request project authorizations (PA) from the Office of System Architecture and Investment Analysis (ASD). The IPT details in their request to ASD what funds will be PA'd, where the funds will be provided (JON, location, state, loc ID, runway, and JCN), and the purpose for which the funds will be utilized. ASD reviews the requests, verifies fund availability, and electronically forwards the requests to ABU, using the BXM. ABU provides PAs to requiring activities to begin project execution. The PAs issue authority to proceed with specific projects at specific locations. Subsequently, ABU redistributes project authority levels, as required, until expiration of each program year's obligation life. Figure 1, shows a sample PA on page 2-10.

FIGURE 1. PROJECT AUTHORIZATION

RIS: BU 2510-15

FAA FACILITIES & EQUIPMENT PROJECT AUTHORIZATION
($ IN DOLLARS)

ISSUED TO: DIRECTOR, NAS PROGRAMMING AND FINANCIAL MANAGEMENT, ASD-300
WASHINGTON, DC 20591

PROJECT AUTHORIZATION NO: SD991110
AUTHORIZATION APPROVAL DATE: 29-JUN-99

PA REQUEST INFORMATION:
REQUEST NO: SD310-99-09610
REQUESTOR NAME: Connie Christmas
REQUEST MANAGER: Leon P. Hillers
REQUEST DATE: 22-JUN-99
REQUESTOR'S ORGANIZATION: ASD-310
REQUEST MANAGER ORGANIZATION: ASD-310

AUTHORIZATION CRITERIA:
PROGRAM YEAR: 99 FUND CODE: 182A LIMITATION CODE: 0 TYPE: DIRECT
APPROPRIATION SYMBOL: 699/18107

BUDGET ITEM	PROGRAM DESCRIPTION	PROJECT CODE	CIP NO.
2B05B0	AIRPORT TRAFFIC CONTROL TOWER (ATCT) - REPLACE	40210603	F01

JON	JCN	LOCATION	STATE	LOCID	RNWY#/LTR	PREVIOUS AMOUNT	PROJECT AUTHORITY CURRENT CHANGE	REVISED AMOUNT
197114		LAGUARDIA	NY	LGA		9,460,000.00	-3,486,800.00	5,973,200.00
				SUB-TOTAL 2B05B0 :		9,460,000.00	-3,486,800.00	5,973,200.00
				PA TOTAL:		9,460,000.00	-3,486,800.00	5,973,200.00

WORK STATEMENT FOR 2B05B0 :
FOR REPLACE ATCT PROJECT.

ATTN: SCOTT LUECKERT, ACE-420
PHONE: (816)426-2242

Related PA Numbers:
CE990096

PA REMARKS:
REFERENCE ANS-240 LAN MAIL, DTD 6/22/99.

APPROVED FOR THE CAPITAL BUDGET DIVISION BY:
FOR:
CHARLES E. MARTIN, JR., ABU-300

FAA FORM 2510-11 (COMPUTER GENERATED)

PAGE 1 OF 1

PART 3

PROJECT MATERIEL MANAGEMENT STAGE

(ACCOMPLISHING THE WORK)

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SECTION 1. SETTING UP THE PROJECT/MATERIEL MANAGEMENT STRUCTURE

3-1. **PROJECT MATERIEL MANAGEMENT STAGE DEFINED**. This stage includes efforts within all agency levels and organizations from the time a project is approved to when the equipment is installed. Activities include requirements verification and records management, acquisition of materiel, refining engineering plans, project tracking, and inventory management.

3-2. **APPROVED PROJECTS**. Once PAs are issued, WIMs enter PMLs (either manually or through the RTP) into PMMS. Each PML becomes a separate PMMS record identified by a computer generated 4-digit alpha-numeric called a project control number (PCN). PMLs in the RTP are downloaded into PMMS for those projects shown on the final spreadsheets. This eliminates or reduces the effort involved in loading approved PMLs to PMMS. Once established, the information is displayed on a project status report (PSR). The PSR is essentially the same as the PML developed during the requirements process. Appendix C, Figure 1 on page C-3 shows a sample PSR.

a. Acquisition IPTs use PMMS to manage nationally furnished assets needed to accomplish NAS F&E projects. The acquiring IPT may or may not also be the requiring IPT.

b. Requiring IPTs use PMMS to manage their approved projects. The requiring IPT Lead makes sure all approved national NAS F&E projects are established and maintained within PMMS. This includes acquisitions (by purchase or lease) by FAA, Department of Defense (DOD), or other Government agencies.

3-3. **HEADQUARTERS ACTIVITIES**. IPTs/WIMs maintain and update PSRs and spreadsheet/PAs. They also use acquisition documents and various PMMS reports such as the Requirements and Assets (R&A) and Due-in, to manage assets and provide availability information for project materiel on order. See Appendix C, figures 2 and 3, pages C-4 and C-5 for sample R&A and Due-in reports.

3-4. **REGIONAL ACTIVITIES**.

a. The IC platform responsible for planning and fiscal requirements (planning platform) sets up projects. They also notify the SMO/field office whenever a project has been approved for their location. This is done through RTP reports or by providing a copy of the PA/assignment sheet. The IC budget/program analyst loads "1680" header data into the regional RTP database (after they receive the PA). They then execute a batch interface to DAFIS that downloads the header information. DAFIS, in turn, updates RPMMS the following month. Appendix C, figure 4 on page C-6, is a sample of the DAFIS 32-9F report.

HINT: All parties (acquisition, real estate and materiel, accounting, airway facilities, and IC) need to be aware of what projects are being established, funded, and completed (especially those involving TSSC). An easy means of accomplishing this is periodic project coordination meetings with all impacted organizations, in which all JONs created since the previous meeting are reviewed. Based on the JONs' complexity, discussion could cover what assets will be bought or constructed, anticipated contracts, what existing assets will be decommissioned, etc. It can also be used to establish a plan for partial and full closeouts. This forum provides documented direction for all parties.

b. F&E project materiel managers.

(1) Establish project files for each JON (identified by JON, PCN, and geographic location) upon receipt of PAs, PSR reports, project transmittals, or procurement requests/orders/work releases. These files contain documents supporting the funds associated with materiel and services charged to the project. A file contents checklist is shown as figure 2 on page 3-6. They also include adjustment vouchers and any other documents used to process transactions applicable to the project, all correspondence, RPMMS Detail Job Order (DJO) and Project Materiel Cumulative (PMC) reports (see appendix C, figures 5 and 6 on page C-7 and C-8).

(2) Verify the transactions reflected on the DJO and PMC reports.

(3) Update PMMS to extend start dates, change place name and supply support code (SSC), type of work, update the JON, and reduce/delete the quantity of an item required.

3-5. **FIELD ACTIVITIES**. SMOs and System Service Centers maintain their own project files in JON and location sequence, either after regional notification or when materiel transactions begin. The property custodian performs property management and control functions.

> HINT. The property custodian is formally designated by the property manager by organizational position as being responsible for the management and control of property within their field organization.

FIGURE 2. JON FILE CONTENTS CHECKLIST

JON _____ JCN _____ PCN _____
LOCATION _____ COST CENTER _____ FAC TYPE _____
GSA CONTROL # _____ RAPM _____
COMPANION JONs _____

SECTION 1 (project start/scope)
- JON contents checklist
- Project authorization
- Program assignment sheet

SECTION 2 (national activity)
- PSR *****
- Copies of PSR activity
- PSR related correspondence

SECTION 3 (suspense/correspondence)
- DJO
- Unprocessed transactions
- FE770/MIR
- Correspondence

SECTION 4 (documentation)
- Document control form
- Contracts/invoices
- Work releases/invoices
- POs/invoices
- Credit card statements
- SF-44s
- Third party drafts
- Transfer documents
- 4500-1s
- DD-250s
- 4250-4s
- Other transactions

SECTION 5 (partial closeouts)
- Asset adjustment sheet
- Closeout/cap notification
- Closeout/cap worksheet
- Closeout batches
- Applicable PMC
- Applicable 32-9F
- Closeout authorization
- JAI/CAI (as applicable)
- Support documentation
- RPI
- RPR

SECTION 6 (final closeout)
- Asset adjustment sheet
- Closeout/cap notification
- Closeout/cap worksheet
- Closeout batches
- Applicable PMC
- Applicable 32-9F
- Closeout authorization
- JAI/CAI (as applicable)
- Support documentation
- RPI
- RPR

(interim) PMC and 32-9F ***** ******

***** While you do not need to file these reports in the project folder each month, you need to produce them when requested.

******"Interim" means that up to final closeout, you can use this area to file updates of these reports

3-6. **MIKE MONRONEY AERONAUTICAL CENTER (AMC) ACTIVITIES**. For NAS F&E projects at AMC, the F&E item managers perform the same functions as the F&E project materiel managers do for regional projects. They requisition materiel, coordinate with the IPT to make sure all requirements are contained on their PSRs, monitor the PSR for changes, and maintain project files.

SECTION 2. NATIONAL ACQUISITION OF NAS F&E SYSTEMS/EQUIPMENT/COMPONENTS

3-7. **NATIONAL REQUIREMENTS**.

a. The majority of the systems, equipment, and components required for NAS F&E projects are acquired from nationally funded contracts, awarded by either ASU or the AMC Office of Acquisition (AMQ). These procurement actions are usually begun very early in the program cycle to make sure the items are available at the site or in FAALC warehouse stock when required for installation. Before requesting any procurement action, the IPTs review available unrequired/excess materiel. Under certain circumstances, the IPT may also elect to provide funds to a region to acquire an item for all national requirements. Refer to subparagraph "d" below for IPT actions on regional fabrication projects.

b. The acquisition IPT prepares PRs for national requirements, including those for projects sponsored by another IPT. Acquisition sources can include commercial organizations, other government agencies, and components of the DOD. All PRs and subsequent procurement documents must have numbered requisition line item numbers (RLIN) and contract line item numbers (CLIN). The contract determines the structure of the CLIN; i.e., whether or not the deliveries will be turnkey, system, or

line item, as well as the method of shipment to be used (free on board (f.o.b.) origin or destination). CLINs are structured to make sure items being acquired are delineated as to their cost category. Figure 3 on page 3-10, CLIN Cost Category shows the correct cost category to use for various types of expenditures. A CLIN should not contain costs from more than one cost category.

c. The acquisition IPT must satisfy all applicable AMS requirements in their acquisitions.

d. At times, a national IPT provides funds to a region to construct systems or components that are transferred to other regions for installation. These items are transferred between regions using FAA Form 4650-12. The IPT may furnish funds for fabrication or both equipment and funds for modification or reconfiguration of, or incorporation into the equipment. When this happens, the region becomes a vendor to the IPT. See paragraph 3-15 on page 3-17 for a description of regional activities. There should be a clearly defined agreement explaining the responsibilities of all parties.

(1) The IPT issues a PA to the "fabricating" region.

(2) The WIM creates a F&E stock number for each item being fabricated and a PCN for each site receiving fabricated equipment.

(3) If equipment is being furnished for modification, reconfiguration, or incorporation, the WIM will:

(a) Make the equipment available on the fabricating region's PSR.

(b) Generate a 4500-1 (if the equipment is coming from a headquarters contract). If a DD-250 (versus a 4500-1) is required, the WIM makes sure the regions and field offices receive a copy of the DD-250.

(c) Make any equipment coming from the FAALC available to the "fabricating" region for them to requisition.

(d) Generate a 4650-12 (if the equipment is coming from another region).

(e) Once regional fabrication is complete, mark the items as available for shipment on the receiving region's PCN.

3-8. **ESTABLISHING DUE-IN RECORDS**. While the requiring IPT sees that projects are entered into the PMMS, the acquiring WIMs enter and maintain due-in information into the PMMS to provide availability information. If no procurement request (PR) has been established or the contract does not specify a set delivery schedule, the WIMs create due-in records based on best-estimate program schedules. The contract number field in PMMS accepts the PR number, and if no PR number is available, another local identification number is acceptable. For requirements-type contracts, the contract number is acceptable; however, once a PR is created or a contract signed, the WIMs must update the contract number field. They also update the record once contract delivery dates are finalized or modified.

FIGURE 3. CLIN COST CATEGORY

	CLIN Cost Category	Sub OCC	MAC Code	Cost Examples
1	Installed facilities and equipment, other structures, line item accountables, aircraft and aircraft engines	3162	70	Procurement of NAS equipment such as ASR, ILS, and beacons when the contractor is not responsible for installation.
2	Expense	2596	BB	Maintenance of commissioned systems
3	Contract common costs	3174	91	System engineering and configuration management that are common to the entire program
4	Contractor support costs	3175	91	System engineering and configuration management indirectly related to the procurement of equipment but are common to the entire program
5	Spare parts	2654	70	Spares procured for delivery to regions or the FAALC
6	Reimbursable - FAA takes title to equipment	3162	70	A radar ordered by FAA for another government agency when the agency pays for the equipment and gives title to the radar to FAA
7.	Reimbursable - FAA does not take title to equipment	2567	BB	A radar ordered by FAA for another government agency when the agency pays for the equipment but does not give title to the radar to FAA
8	Shipments in place	3178	SP	All items procured in a shipment-in-place status
9	Contractor acquired property	3158	CP	Manufacturing equipment procured by a contractor to be used for manufacture of equipment
10	Turnkey	3168	TK	Costs of items under a turnkey contract

SECTION 3. REGIONAL ACQUISITION OF NAS F&E SYSTEMS/EQUIPMENT/COMPONENTS

3-9. **REGIONAL ACQUISITIONS**. While the majority of project materiel comes from national sources, regions and centers acquire both services and materiel to complete national and regional projects. These acquisitions are made within region/center offices or in the field and include materiel, equipment, construction, services, and system/equipment installation. The following paragraphs show various methods used to acquire F&E materiel.

3-10. **CONTRACTS/PURCHASE ORDERS**

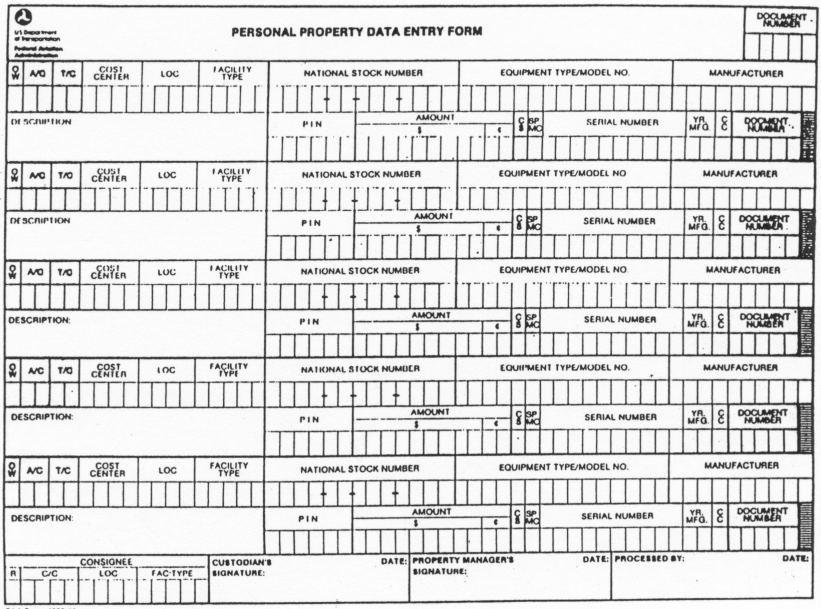
a. IC project engineers prepare PRs for construction and installation contracts, associated equipment, and TSSC work releases, routing PRs to the contracting office for processing.

b. All PRs and subsequent procurement documents must have numbered RLIN and CLINs. Each individual RLIN and CLIN must have a separately identified object class and cost/asset/function (CAF) code and contain costs for only one object class/CAF code. Paragraph 3-14 on page 3-15, identifies object classes and CAF codes.

c. The contracting officer provides a copy of all purchase orders/contracts to the F&E project materiel manager to support the cost of the project.

d. Once delivery is made, the consignee provides the F&E project materiel manager with a signed copy of the receiving reports (with code strips included when required). See figure 4, on page 3-12, for code strip examples.

FIGURE 4. CODE STRIPS



FAA Form 4650-18 (6-84)

RECEIVING DOCUMENT CODE STRIP

FILL IN BLOCKS FOR INFORMATION NOT SHOWN ON SOURCE DOCUMENT

COST CENTER	LOC	FCLT TYPE	MDL NO.	SERIAL NO.	MFG.	YR MFG	CRIT CODE

FAA Form 4650-17 (1-81)

3-11. **BLANKET PURCHASE AGREEMENTS (BPA)**. BPAs are annually awarded contracts to specific companies; e.g., a local hardware store. Orders are then placed with that company (not to exceed a dollar limit). The original invoice is coded by the authorized purchaser with the F&E appropriation and forwarded to accounting and the F&E project materiel manager.

3-12. **REGIONAL TRANSFERS**. For regional transfers (from unassigned, in-use, or F&E stock), the project engineers make sure the F&E project materiel manager receives a request to prepare the necessary paperwork, which is required whenever project materiel is removed from the site/project. Once received, the F&E project materiel managers prepare and process the FAA Form 4650-12, Materiel Requisition/Issue/Receipt to transfer materiel to or between projects (see figure 5, FAA Form 4650-12, on page 3-14) after verifying that the materiel resides in the project. Once a signed receipt is returned from the consignee, the materiel is deleted from the RPMMS or in-use record. The SMO field logistics specialist provides credit information if materiel is being transferred from in-use. If a Government bill of lading (GBL) is required, the IC planning platform provides an appropriation code.

3-13. **STANDARD FORM (SF) 44, CREDIT CARD, THIRD PARTY DRAFTS.** No "shipment" of materiel is usually involved with SF-44, credit card, or 3rd party drafts. The buyer takes the purchase with them to the site.

a. 3rd party Drafts and SF-44 Purchases. Copies of these documents (once appropriation coding, including the object class, CAF code, and JON are added) are sent to accounting for obligation against the JON and to the F&E project materiel manager for entry into RPMMS.

FIGURE 5. FAA FORM 4650-12

MATERIEL REQUISITION/ISSUE/RECEIPT

Type of Transaction ("X" one) ☐ Project Materiel ☐ Operating Materiel ☐ In Use Personal Property ☐ Other (specify)

PART A — REQUISITION/TRANSFER

Trans	Voucher Number	Supply Support Code	Cost Center

Requisition Number	COND. CODE	Job Order Number	Date Required	PRI	Facility Type

Approved By: For DAN SZ WASHBURN, SUPERVISOR KC STAGING AREA

Outgoing No.: ACE-455-920398 | Incoming No.: | Date: 3/31/98

Method of Shipment (Include final carrier, if known): OVERNIGHT TRANS | Batch No.:

Mark For: MC-2 JO-20524 | Date Prepared: 03/30/92 | GBL Number: G 0405557 | No. of Packages: 31EA

SHIP TO (Consignee): ALLCO EXPRESS COMPANY
99 FORD LANE
HAZELWOOD, MO 63043
PROJ: STL RTR / REQ'D BY: GREG WERNER

FROM (Consignor): FEDERAL AVIATION ADMINISTRATION
STAGING AREA
633 HARDESTY
KANSAS CITY, MISSOURI 64124

PART B — PROJECT MATERIEL KEY PUNCH SOURCE DATA

RG	AR	Cost Center	MC	Cost Code	Job Order	GSA Address	WH	FS	Trans	TR	Contract/Document No.	PC
1	2	3 4 5 6	7	8 9	10 11 12 13 14 15	54 55 56 57 58 59	60	61	62 63	64	69 70 71 72 73 74 75 76	80

PART C — UNIT IDENTIFICATION

Item No.	National Stock No.	Equipment Type	Item Description	Asset	Quantity	UI	Unit Price	Total Cost
1	5985-01-050-7524 1B010	D2273 ANTENNA,	UHF/VHF TACO STACK SN: 1001			1 EA	1374.00	1374.00
	CREDIT: MC-1 JO-04864 DEBIT: MC-2 JO-20524							

SIGN AND RETURN THIS COPY TO ACE-52

MC-1 & 3 **PART D — IN USE PERSONAL PROPERTY KEY PUNCH SOURCE DATA**

ATS Loc	Std. Fac. Ident.	OW	R	A	Cost Center	Act'n. Date	Document No.	Trans.

Accounting Classification | Reimbursement Required ☐ Yes ☐ No | Total

All Items Received, Except As Noted (Signature): [signature] | Title: GSS | Date: 4/98 | $1374.00

FAA Form 4650-12 (7/87) Page No. _____ of _____ pages 1

b. Credit Card Purchases. Receipts are kept by the credit card holder until the monthly statement is received. The statement is then coded (including a purchase description), copies of the receipts attached, if available, and forwarded to accounting for payment and the F&E project materiel manager for RPMMS entry.

3-14. **CODING OF REGIONAL ACQUISITIONS**. Appendix E, Coding for F&E Acquisitions, provides a listing of typical F&E purchases, their proper object class code (OCC), and CAF code(s).

a. OCC. This code affects which column (materiel or other expenses) costs show up on the 32-9F report. Figure 6, below, explains which object class codes to use for various types of purchases:

FIGURE 6. OCCs

OCC*	Description
22XX	Transportation of things
23XX	Rent, communications, & utilities
24XX	Printing and reproduction services
25XX	Other Services - contractual services not otherwise classified; supplies and services furnished in connection with services are also included even though they may be separately itemized.
26XX	Supplies and Materials - (a) ordinarily consumed or expended in use within 1 year, (b) converted in the process of construction or manufacture, (c) used to form a minor part of equipment or fixed property, or (d) other property of little monetary value.
31XX	Equipment - personal property of a more or less durable nature which may be expected to have a period of service of 1 year or more, and includes charges for services in connection with initial installation of equipment.
32XX	Land & structures

* The 1st two digits signify the OCC. The "XX" designate possible further separation into sub OCCs. FAA Order 1375.6A lists allowable sub OCCs.

b. CAF Code. The 3-digit CAF is part of the JON structure. It affects the 32-9F and PMC by allocating project charges against the type of work being performed, as well as the asset to which the charge will eventually be assigned. It affects the line (land, buildings, facility equipment, etc.) on the 32-9F report on which the cost is shown. Proper use of this code is extremely important in properly identifying and ultimately closing out assets to the proper property account (real or personal). The CAF code is made up of three distinct elements.

(1) 1st Digit - Cost Code. This is the cost class of the funds being used and is found on labor distribution report forms, and indicates the type of work performed. Figure 7, below, describes the various codes.

FIGURE 7. COST CODES

Code	Cost Code Description	Description
0	Expense	
1	Civil Engineering	Costs related to development of project data, site evaluation, design selection, of the physical features of the project
2	Electronic Engineering	Costs related to the electronic features of the project
3	Construction	Costs related to construction, relocation, modification of facilities
4	Installation	Costs related to the actual installation of the electronic equipment
5	Flight Inspection	Costs related to flight inspection of the commissioning facility
6	Drafting	
7	Overhead	
8	Assigned by HQ	
9	TSSC	TSSC contract costs

(2) 2nd Digit - Asset Code. This code identifies how expenditures will ultimately be classified (as real or personal property). Coding is based upon the expenditure's purpose. Figure 8, below, describes the various codes.

FIGURE 8. ASSET CODES

Code*	Asset Code Description	Resultant Asset
0	Expense	none
1	Land purchase	real property
2	Building	real property
3	Other construction/structure	real property
4	Facility Equipment	personal property
5	Administrative Equipment	personal property
6	Development Equipment, prototype and experimental	personal property
7	Other equipment	personal property
8	Leasehold Improvements	real property

*Any use of Asset 1, 2, 3 or 8 requires a Real Property Inventory (RPI).

HINT: Because of how DAFIS interprets various coding combinations, always use a "0" cost code with a "0" asset code.

(3) 3rd Digit - Function Code. For purchases, always use zero "0".

3-15. **REGIONAL FABRICATION**. When an IPT "contracts" with a region for a regional fabrication, the region becomes a vendor to the IPT. Paragraph 3-7.d on page 3-8 describes the IPT part of this process.

a. Once the "fabricating" region receives the PA:

(1) The IC establishes a "manufacturing" JON to record and track its manufacturing costs as they occur.

(2) The F&E project materiel manager requisitions, and the consignee receives, any materiel provided by the IPT.

(3) The F&E project materiel manager includes the materiel provided by the IPT on the "manufacturing" JON (as FS 1 materiel).

(4) The IC fabricates, modifies, reconfigures, or incorporates the equipment, as required.

(5) The F&E project materiel manager notifies the IPT when the region is ready to ship the items.

(6) Either the F&E project materiel manager or the site prepares the FAA Form 4650-12 to ship the materiel to the receiving region, depending on regional procedures. The individual at the site responsible for logistics functions makes transportation arrangements to ship the materiel, including any required packaging and handling. If the equipment had been provided for modification, etc., the receiving documents related to the original item are also sent to the receiving region. A copy of the bill of lading is provided to the F&E project materiel manager. The FAA Form 4650-12 is distributed as follows:

- Original to consignee
- One copy to the receiving region's F&E project materiel manager
- One copy to the sending region's F&E project materiel manager
- One copy to the sending site
- Two copies remain with the equipment

(7) The F&E project materiel manager closes out the fabricating JON. All dollars associated with the fabricating work are included in the value of the items being shipped. If the 32-9F subtotal equals $100,000 and ten items are fabricated, then each of the items would be valued at $10,000. The fabricating region issues a FAA Form 4650-12 transferring the property, and an Inter Office Transfer Voucher (IOTV) transferring the dollars, to the receiving regions as the value of the equipment will be capitalized by the receiving region.

b. The "receiving" region's:

(1) Consignee provides a signed copy of the FAA Form 4650-12 to their F&E project materiel manager.

(2) F&E project materiel manager notifies the fabricating region and the IPT when shipment is received.

(3) F&E project materiel manager picks up the cost of the fabricated item to RPMMS (as FS 1 materiel).

(4) Accounting office adds the value of the fabricated item to DAFIS (as FS 1 materiel).

3-16. **ORDERING FROM THE FAALC**.

a. F&E Materiel.

(1) IC project engineers request the F&E project materiel managers requisition materiel so that it arrives on schedule. Requests should be made in writing, at least 30 days before the materiel is needed at the site.

(2) Prior to requisitioning materiel from the FAALC, the F&E project materiel manager:

(a) Determines if special unloading or storage arrangements are required by contacting the applicable SMO/consignee to advise them what is being ordered. This is done so they can make proper unloading/storage arrangements prior to the shipment's arrival.

(b) Verifies the materiel is on hand at the FAALC, by either looking at the latest PSR or the inquiry screen from the PMMS.

(c) Confirms the accuracy of the Supply Support Code before processing the requisition.

(d) Contacts the WIM if the item is not on hand or available, giving a justification for the requirement and requesting that the WIM make the item available. Internal coordination with the project engineer is required to transfer assets. If approved, the item can be ordered from the second project, using the shipping address and JON of the receiving project. (Remember to maintain proper paperwork cross references for these actions to ensure both projects have an audit trail.) If no assets are available, the F&E -project materiel manager informs the project engineer. The project engineer then decides what to do to minimize any resulting financial/scheduling problems associated with the delay.

(3) Once the requisition is processed, the item(s) is pulled and shipped to the site from the FAALC warehouse. PMMS updates the status of the requisition to "FAALC shipped."

(a) If an F&E requisition requires materiel delivery before the normal 15-day period, the F&E item managers expedite the processing of delivery documents. The requisitioner's name and a 24-hour phone number are required prior to beginning action to expedite.

(b) When an item with a management code (placed on an item to stop its automatic issuance) is requisitioned, it shows an "unshipped" code." F&E item managers can tell which management codes they can bypass. On those items, they process an override and send it to the warehouse for shipping. For those codes that cannot be overridden, they contact the WIM to determine if the code is still required. If it is not, the F&E Item manager removes it and processes the requisition. If it is still needed, they inform the F&E project materiel manager why the requisition cannot be processed.

(c) If a requisitioned item cannot be shipped because it is being inventoried, the F&E item manager contacts the F&E project materiel manager within 3 days by telephone or facsimile to let them know the item is being inventoried. The item will be shipped once the inventory has been completed and the code is lifted. The requisition stays suspended and on the F&E item managers' queue until the code is removed. Sometimes the F&E item manager can ship items on inventory freeze by preparing a FAA Form 4650-12.

b. Operations (OPS) Materiel. Regions can order OPS materiel via the LIS on-line requisition process within 60 days of commissioning. The requisitioner provides copies of the requisitions to the F&E project materiel manager for inclusion in the JON file if ordered locally.

SECTION 4. REFINEMENT OF ENGINEERING PLANS/SUPPORT/REQUIREMENTS PROJECT TRACKING

3-17. **HEADQUARTERS IPT**.

a. The acquisition IPT works with the IC to identify project requirements on the In Service Review (ISR) checklist and monitor the items during the life cycle of the project. The ISR process ensures supportability of the equipment/system after installation.

b. IPTs are accountable to the IPT Lead for periodic briefings of overall program status. The briefings, which focus on significant issues/items that may impact the program activities/schedule, are based on the Program Status Report that is prepared bimonthly with monthly schedule updates.

c. The acquisition IPT coordinates updates to the MDFM. Program/contract schedules are validated through the Program Status Report and major end item delivery dates are reviewed/updated for entry into MDFM.

d. The IPTs review and approve regional requests for recommitment/reassignment of F&E assets to meet regional priorities. Based on the Program Status Report, original requirements are reviewed, revalidated and schedules adjusted as required.

e. The acquisition WIMs reflect current availability information in PMMS based on the Program Status Report. This definitizes the system delivery schedule. Validated delivery schedules used to update major end item delivery dates in MDFM are distributed to the WIMs/program analysts and used to update applicable PMMS due-in dates. Both systems contain availability

information. The MDFM contains the CIP number, location identification, and a hardware delivery date for major end-items. The PMMS identifies each item being delivered by stock number and its associated due-in (delivery) date. PMMS projects are identified by a PCN.

(1) There is an interface between the two systems which updates the PMMS due-in date with the MDFM hardware delivery date whenever there is a PCN + stock number match. To create this match, the PCN and an associated stock number from PMMS need to be added to the MDFM. Since each PCN may have many stock numbers, the WIM/program analyst selects what they consider the "driver" or "most important" stock number in PMMS for each project.

(2) At the beginning of each month, PCNs (and driver stock number) for all projects established in PMMS during the preceding month are provided to the applicable support contractor responsible for that project.

(3) The support contractor enters the PCN and stock number into MDFM. Procedures for MDFM data entry are contained in the MDFM user guides, available from the MDFM program office (AND-210). After the PCNs and stock numbers are entered into the MDFM, any end-item delivery date change made to the MDFM will also be made in PMMS.

(4) Since each MDFM record contains only one stock number, only that specific stock number's due-in date (for each applicable PMMS record) is updated via this process. All other PMMS due-in information (for the remaining stock numbers listed on a PCN) must be updated individually by the WIM/program analyst. For example, if a PCN has 20 stock numbers associated with it, only one will be updated via the MDFM interface. The

remaining 19 must be updated according to normal PMMS due-in update procedures.

f. The acquisition IPT monitors contract performance, schedule, progress payments, etc. Related contract documents are maintained for reference in working with ASU's contracting officers/specialists in formal contract management.

3-18. **IC ENGINEERING/PLANNING PLATFORMS**.

a. Project engineers work closely with the appropriate IPT in the developing of NAILS requirements.

b. Project engineers refine engineering plans (drawings and specifications) and send engineering plans to the field for review.

c. Before beginning the construction and installation phases of a project, project engineers coordinate between the SMOs and the F&E project materiel manager on deliveries, delivery dates, project status, and requisitioning requirements. They work with the F&E project materiel manager to make sure materiel on the PSR accurately reflects project requirements.

d. During site survey, the project engineers survey the project site to determine if additional storage space is required. If required, they work with the local (field) logistics contact and/or the F&E project materiel manager to make sure adequate storage space is available before requesting materiel be requisitioned from the FAALC.

e. Through the RTP network, the IC planning platform and the project engineer track projects, maintain funds control, and update project plans and milestones.

3-19. **REALIGNMENT/REPROGRAMMING ACTIVITIES.**

a. Within the procedures listed below, ICs can realign/ reprogram funds identified as excess to the needs of the JON:

(1) For active appropriations:

(a) The IC is allowed to move funds within the same budget line item (BLI) so long as the BLI has not been marked as "special interest" by Congress or has otherwise been restricted by the pertinent headquarters IPT. This is not reprogramming, but realigning. There are no budgetary constraints connected with this action. However, new PAs are needed. Using the BXM system, the IC needs to request a new PA from ABU-300 within 3 days of realigning the funds.

(b) Moving funds to a different BLI is reprogramming. The IC is allowed to move funds to a different BLI, not to exceed the following dollar thresholds.

(i) If the BLI is $25,000 or less, decrease up to the entire amount.

(ii) If the BLI is between $25,000 and $330,000, decrease the authorization up to 100% of the authorization or $50,000, whichever is less.

(iii) If the BLI is over $330,000, decrease the authorization up to 15% or $90,000, whichever is less.

(iv) If the BLIs involved are not "special interest" to Congress or the appropriate headquarters IPT.

(2) ICs may not realign/reprogram dollars on expired appropriations.

(3) See Appendix F, TSSC Materiel and Accounting Requirements, for guidance on retasking and reprogramming dollars associated with the TSSC BLI.

b. Proper Use of G-Schedule Transfers.

(1) The G-Schedule is an accounting action that transfers expenditures from one JON to another JON. It can be used on individual transactions and travel items, without coordinating with other organizations. All documentation supporting these transfers must be provided to the F&E project materiel manager for inclusion in the project folder. In order to do a G-Schedule on a contract, both the "donor" and "receiving" JONs must be currently on the contract.

(2) Coordinate TSSC G-schedules with individual who authorizes payment of the TSSC invoice so that their records and Unitrack can be kept updated; e.g., TSSC ATO and the local funds certification officer, prior to the transfer. Do not use a G schedule on TSSC work releases that have not been closed out (approved "Z" revision).

(3) This is not a method to circumvent reprogramming restrictions, so the JONs should either be related or the action due to an incorrect entry by the accounting code originator.

3-20. **FAALC F&E ITEM MANAGEMENT**.

a. The F&E item managers monitor PSRs to see if repairs are required. Repair availability dates are updated when FAALC has support responsibility. Some requirements contained on PSRs

are in "reparable" condition in FAALC stock. Repair actions are not routinely started. The F&E item managers initiate repair action at the request of the WIM when serviceable stock cannot meet immediate needs.

b. The FAALC Transportation Services Branch maintains shipping documents related to FAALC issues of project materiel in shipping date sequence to provide shipping information and for research in the event of discrepant shipments. These files are kept for a minimum of 2 years so they can respond to inquiries from headquarters, regional personnel, and the FAALC F&E inventory managers.

SECTION 5. NATIONAL INVENTORIES

3-21. **MANAGING HEADQUARTERS INVENTORY**.

a. Project and Item Management.

(1) The WIMs are the contact points for information relating to specific items required for NAS F&E projects, including item availability. They enter and update availability information into the PMMS and coordinate regionally requested changes to and transfers of project materiel with the affected IPTs.

(2) The requiring IPTs are to respond to regional project change requests (in coordination with the WIM) within 10 working days from the date the request was made.

b. In-Place Shipment Inventories. In-place shipments occur when the FAA legally takes title to and responsibility for materiel while the contractor retains physical control. (These requirements do not apply when contractors are authorized to hold the property under applicable Government Furnished Property

(GFP) regulations.) When this occurs, the acquiring IPT accepts responsibility for that materiel. As such, they assume the same inventory management and reporting requirements as regions do if the materiel had been shipped to a FAA site. It includes making arrangements for and funding for future shipping arrangements, as well as making sure materiel is properly packed and stored (by following minimum control measures listed below).

(1) Keep all documents on in-place shipments in a separate file. Include shipping authorizations, contractual agreements to store the materiel, and any documents showing later shipments to a FAA site.

(2) Include the following requirements in all contractual agreements for storing in-place shipments.

(a) The contractor must possess insurance coverage equal to the value of the property.

(b) Any storage facility a contractor uses must include a sprinkler system with an alarm and an adequate security system.

(c) The contractor verifies that its legal liability that meets General Services Administration (GSA) standards.

(d) The contractor supplies the Industrial Evaluation & Contract Support Branch, ASU-210, with a yearly Government Furnished Property/Contractor Acquired Property Inventory record.

3-22. **FAALC F&E INVENTORY MANAGEMENT**.

a. F&E item managers maintain an inventory of all F&E stock held at the FAALC through cyclic and special inventories performed by FAALC. When discrepancies are found, they research the history file in LIS and make adjustments to the master inventory record as necessary. They also respond to and advise headquarters/regional organizations on F&E inventory problems resulting from management code assignments and inventory freezes.

b. F&E item managers utilize the files relating to FAALC issues of project materiel, maintained in the Transportation Services Branch, in shipping date sequence, to provide shipping information and to respond to inquiries from headquarters and regional personnel.

c. F&E item managers initiate transfers of F&E stock to OPS inventory when directed by the IPT (in the case of an exigency) by adjusting the inventory record and notifying the warehouse to physically move the affected stock from F&E to OPS storage.

d. The F&E item managers review and resolve problems, such as warehouse refusals, price reviews, shipping discrepancies, condition code changes, receipt document errors, etc.

e. F&E item managers issue work requests to FAALC shops whenever F&E stock needs to be modified (because of an equipment revision), broken down (splitting a dual system or one that contains modules), or cannibalized (to acquire parts to be used in repairing other systems). When cannibalizing or breaking down the entire quantity of an item, individual parts are entered into LIS under their own stock number, the residue excessed, and the original stock number is deleted off the master inventory record.

When this action is taken on a portion of the stock on hand, the quantity on hand is reduced accordingly. For revisions, the quantity being modified is shown on the master inventory record as "in shops" and not available for issue. Once modified, the materiel is returned to "serviceable" stock.

SECTION 6. REGIONAL INVENTORIES

3-23. **MATERIEL HELD AT A STAGING AREA**. When materiel is received for a JON but held in a staging area, code it in RPMMS as materiel class (MC) 1 "reserved for and identified by a specific job, but being held until needed for the project," or MC 3 "reserved," depending on its status. When it is moved to the project site, change it to MC 2 "Work in Process." This identifies it as being at the project site for installation.

3-24. **LOGISTICS INVENTORY MANAGEMENT**. The F&E project materiel manager:

a. Maintains a file on each JON. Figure 9, Required 3rd Party Documentation, on page 3-32 lists documentation required in the JON file. To make sure the JON file has all required 3rd party documentation required to support the materiel and other costs associated with a JON, a Document Control Form (see figure 10 on page 3-34) was designed. This includes 32-9F header and subtotal information and the DAFIS "MIR" transaction information. It shows the F&E project materiel manager what 3rd party documentation should be in the file, alerting him or her to request any missing documents from the document owner.

b. Reviews PMMS, RPMMS, and DAFIS reports when received, or if available, online.

(1) Reconciles the monthly DJO and PMC reports against previous reports and suspense items to verify acquisition/shipping documents were processed and signed documents received.

(2) Reviews PSRs for accuracy (GSA address, JON, location, etc.), and as necessary updates (extend) project start dates, place names, JONs, SSCs, and type-of-work codes, and reduce/delete item quantities. Changes to other portions of the PSR are submitted to the requiring WIMs PMMS suspense file in PMMS.

(3) Reviews various other reports and information to make sure potential problems are recognized and resolved.

c. Transfers inventory within RPMMS between JONs, MCs, and from/to PPIMS as requested by the project engineer**.**

d. When low dollar value, miscellaneous expendable supplies are acquired, they are normally included on the PMC under a regionally assigned stock number. The stock number should be configured to readily distinguish it from other purchases and the description should begin with an "I" such as "installation." For "this" item dollars can be added without the quantity being changed.

e. Reviews receiving documents for signature, and line-item accountable information. If missing, they contact the consignee to get the required information. Updates the PMMS due-in file for nationally shipped items.

FIGURE 9. REQUIRED 3rd PARTY DOCUMENTATION

(1) Regionally funded acquisitions

Expenditure	Documentation Required	Document Owner
Contracts (excluding TSSC)	1) Face page of contract + additional pages as required to determine the scope of the project 2) Modifications that either change the scope or add dollars to the JON 3) Invoices for expenditures against the JON*	1) Contracting office 2) Contracting office 3) Accounting office
Contract (TSSC)	1) Face page of work release + additional pages as required to determine the scope of the project 2) Modifications that either change the scope or add dollars to the JON 3) TSSC invoice coversheet with the ANI monthly accounting payment sheet	1) Contracting office 2) Contracting office 3) TSSC ATO
Purchase Order	1) Face page of PO + additional pages as required to determine the scope of the project 2) Modifications that either change the scope or add dollars to the JON 3) Invoices for expenditures against the JON	1) Contracting office 2) Contracting office 3) Accounting office
Credit Card	Credit card statement for purchases over $500 (be annotated with purchase description and accounting codes, including CAF and JON)	Credit card holder, purchaser
Third Party Draft	Third Party Draft for purchases over $500 (annotated with accounting codes)	Purchaser
Flight Check	Interoffice Transfer Voucher (IOTV)	Accounting
Teleco services (recurring charges)	None	
Teleco services (one time charge for new construction)	1) Applicable headquarters contract modification 2) Breakout of the region's portion of FAA's monthly telecommunication invoice (from AMZ-100)	1) AXX-470 (who receives a copy from the IPT Contracting Officer 2) Accounting office (who receives a copy from AMZ-100)
Teleco equipment	1) Applicable headquarters contract modification 2) Breakout of the region's portion of FAA's monthly telecommunication invoice (from AMZ-100)	1) AXX-470 (who receives a copy from the IPT Contracting Officer 2) Accounting office (who receives a copy from AMZ-100)
Transfers from another region	Copy of the FAA Form 4650-12 from the shipping region (showing the applicable JON).	Shipping Region's Logistics Division
Deeds	Face page showing description of property and date of acquisition	Real Estate office

* For construction contracts, the invoice may be a periodic or progress payment against work performed. If more than one JON is involved, the project engineer is to indicate on the invoice certification what amount is to be applied to each JON.

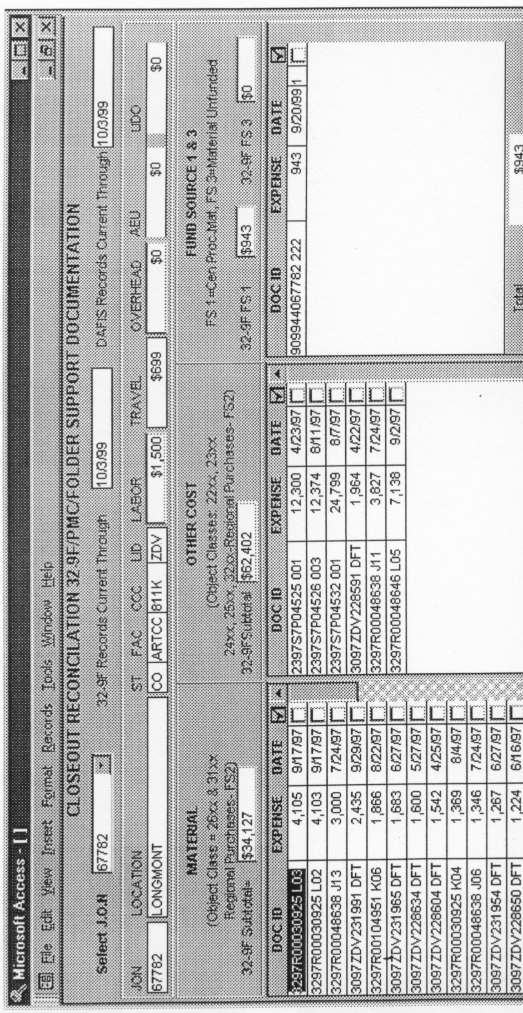
(2) Nationally funded acquisitions

Expenditure	Documentation Required	Document Owner
Contract	Receiving report; e.g., FAA Form 4500-1, DD 250, or FAA Form 4250-4 (showing the applicable JON)	ARA IPT (Washington Item Manager) and Consignee
Purchase Order	Receiving report; e.g., FAA Form 4500-1, DD 250, or FAA Form 4250-4 (showing the applicable JON)	ARA IPT (Washington Item Manager) and Consignee

HINT. Use the DAFIS "MIR" report to substantiate charges under $500. This can easily be done by sorting the report according to dollar value and transaction code.

HINT: A JON should be 100% documented. However, it will be considered "fully documented" if the documentation contained in the JON file for required regionally and nationally funded acquisitions, when added to the labor, travel, and overhead columns of the 32-9F, equals or exceeds 97% of the subtotal amount on the 32-9F. The file must contain an explanation as to what actions were done to acquire the missing documentation and a reason why it could not be provided.

FIGURE 10. DOCUMENT CONTROL FORM



f. Prepares FAA Form 4650-12s at the project engineer's request, verifying the equipment to be transferred is in the correct JON. Once a signed receipt is returned from the consignee, they delete the materiel from the "losing" JON (RPMMS) record and add it to the receiving JON (when the transfer is within a single region). The project engineer provides an appropriation code if a GBL is required. They also coordinate transfers involving nationally furnished materiel with the applicable IPT.

g. Partially closes out JONs, as required, transferring property to the appropriate real or personal property in-use property management system.

h. Sends a copy of the Quarterly Project Materiel Management Report (see appendix C, figure 7 on page C-9) to the AFZ-500.

3-25. **IC INVENTORY MANAGEMENT**. Project engineers make sure onsite representatives coordinate with the SMO manager or designee prior to removing any project materiel from the site/project. No property will be moved from the site without appropriate paperwork. Project engineers make sure the F&E project materiel manager receives a request to prepare any paperwork required to adjust the inventory when removing project materiel from the site. Once the transfer is complete, they also provide the documents to the F&E project materiel manager.

3-26. **FIELD INVENTORY MANAGEMENT**.

a. Property Identification. The field:

(1) Has 5 days in which to provide receipts, with accountable property information annotated, to the F&E project materiel manager. This requires identification of the data elements needed to account for each item; e.g., a bar code label and code strip information (figure 41 on page 3-12).

(2) Identifies and controls the use of project materiel stored at the JON site by use of an F&E identification tag (see figure 11 on page 3-37) attached to the materiel.

b. Inventory Management. The field:

(1) Maintains documents in their JON file; e.g., receiving documents, PMCs, DJOs, partial closeout packages, etc.

(2) Segregates F&E materiel from OPS and excess materiel in a secure area. Keeps materiel for a specific job together as much as possible to make it easier to identify when installation begins.

(3) Coordinates any problems related to inventory management, receiving, storage, "lost, damaged, or destroyed" equipment, erroneous transfers of F&E equipment from the project, etc., with the F&E project materiel manager.

FIGURE 11. F&E IDENTIFICATION TAGS

3-27. **STORING PROJECT MATERIEL**.

a. Regional AF, IC, and logistics offices work with SMO to make sure there is adequate storage for project materiel. Off site, commercial storage areas may be needed if adequate in-house storage is not available. Project engineers are to make sure adequate storage space is available before requesting the F&E project materiel managers to order materiel from the FAALC.

b. If requested by the project engineer**,** the field logistics specialist checks into commercial storage within the SMO, getting an F&E appropriation code from the F&E project manager. When the F&E installation crew is ready to begin installation, the project engineer works with the SMO to return the stored materiel to the site. This can be by either commercial transportation services or the use of FAA vehicles.

c. When commercial storage is required, the property custodian makes sure there is a complete inventory listing, acknowledged by signature, by the storage facility. The custodian also maintains records identifying items in commercial storage in the SMO office.

3-28. **INTERIM (PARTIAL) CLOSEOUT ACTIONS**.

Regardless of a JON's status, F&E project materiel managers initiate partial (or interim) closeouts on projects based upon the following criteria. Refer to paragraph 4-8 on page 4-10 for guidance on partially closing out JONs.

a. Real property. The asset must be a "whole" asset as defined in Appendix A. You would not closeout a building foundation by itself. Sometimes a JON is complete, but there is no completed asset; e.g., the JON was for site preparation only. When this occurs, add a future commissioning date in RTP for the JON.

This justifies leaving the JON "open" until the companion JON completing the asset is completed**.** Refer to real property guidance as to when a real property asset valued under $25,000 is added to RPR/REMS. Make sure the "completed" JON's project folder identifies any companion JONs as a cross-reference.

(1) Owned land and land rights - Once title is acquired.

(2) Owned building – Once the building is deemed either occupied or physically complete. If purchasing a building, it will be when title is taken. If the building is new construction, it will be the date of acceptance as shown on the Contract Acceptance Inspection (CAI).

(3) Owned other structures - When the asset is physically and "substantially" financial complete or placed in service. If purchasing a structure, it will be when title is taken. If the structure is new construction, it will be the date of acceptance as shown on the CAI.

(4) Assets under capital lease – When the asset has been accepted or when beneficial occupancy has taken place, as shown on the CAI.

(5) Leasehold improvements - Once the improvement is deemed physically complete, accepted, or beneficial occupancy has taken place, as shown on the CAI.

b. Personal property. The facility must be in a precommissioned or commissioned status in order to transfer an asset to PPIMS.

(1) Installed F&E and related installation charges (asset class 61) - Once the facility, system, or equipment is commissioned and/or placed in service. If the work being done is an improvement to the facility/equipment, record that portion of the cost relating to the improvement as a separate record in PPIMS and capitalized the record if it meets the capitalization criteria

HINT: The facility must be in a precommmissioned or commissioned status in FSEP and be in the PPIMS Facility Table File in order to transfer an asset to transfer an asset to PPIMS.

(2) Line-item accountable property; e.g., computers, portable test and communications equipment - Within 30 days after receipt and entry into the RPMMS.

(3) Aircraft and aircraft engines - At the time the airframe or engine is placed in service.

(4) Administrative information systems - When placed in use.

c. Special JON Types. Dollars associated with group JONs, identified in paragraph 2-8 on page 2-7, are sometimes associated with a specific F&E NAS project/site. At other times, funds cannot be associated with a project/site or the work being done is for general maintenance and upkeep, not system establishment, relocation, replacement, or upgrade. Listed below are examples of what would be considered general maintenance and upkeep work. Expenditures associated with these projects are expensed (versus capitalized). The proper treatment of costs and closeout/capitalization actions associated with group JONs are shown below.

Type of work
Removal of asbestos in buildings or soil
Removal of lead based paint in buildings or soil
Architecture and engineering costs (rendering, soil testing, drawings)
Decommission of facilities, demolition of buildings and structures (when no replacement is to take place)
Environmental audits, studies, reports, and inventories
Environmental due diligence audits (EDDA) for land disposal (versus land acquisition)

(1) HAZ/OSHA.

(a) For JONs that do not include equipment or materiel, expense all costs. When possible, expense costs as they are incurred by using a "_ _" (blank blank) materiel asset cost (MAC) code and "000" CAF code.

(b) For JONs that include equipment or materiel, follow standard procedures for tracking materiel on RPMMS and closing it out into a corresponding property account if property meets accountability thresholds. Otherwise, expense.

(2) RO/Various. Expense JONs for overhead expenditures. Review other JONs to see if any labor or materiel charges are for site-specific capitalizable (versus maintenance) work. If/when site-specific JONs are set up, transfer applicable charges (labor and materiel) to the appropriate JON. If for capitalizable work, follow standard procedures for tracking materiel on RPMMS and closing it out to its corresponding property account if property meets accountability thresholds. Otherwise, expense all costs.

(3) LSSC/NISC. Follow the directions under RO/Various.

d. Special Projects. For special projects such as flood recovery, use the following guidelines.

(1) If facility/equipment (real or personal) is destroyed, follow directions to remove the destroyed equipment from the appropriate property system and treat the cost as a loss in DAFIS. Pick up the new facility/equipment on property records and in DAFIS as any new equipment or facility. If an asset is not destroyed, but restored to its previous operational capability, expense the restoration costs.

(2) If the restoration "improves" the facility/equipment, record that portion of the project cost relating to the improvement as a separate record in PPIMS or RPR/REMS and capitalized the record if it meets the capitalization criteria.

e. Reimbursable Projects. An "8" in the 2nd digit of a JON indicates the project is reimbursable. In addition, some old reimbursable JONs used "7" as the 2nd digit. These old agreements may not all be closed. Beginning in FY 1999, reimbursable projects also have an "X" as the 1st digit. The reimbursable agreement designates whether or not FAA has title and is available from the applicable ANI IC project manager.

(1) Treat reimbursable projects the same as non-reimbursable projects when FAA has title to any acquired facilities or equipment for recording to the appropriate property system. Within accounting, nationally procured equipment is recorded in the same manner as direct JONs. Treat all other charges as donated capital.

(2) Expense all costs on reimbursable projects when FAA does not have title to any acquired facilities and/or equipment.

PART 4

PROJECT COMPLETION STAGE

(COMPLETING THE PROJECT)

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SECTION 1. PHYSICAL AND FINANCIAL PROJECT COMPLETION

4-1. **REGIONAL CLOSEOUT/CAPITALIZATION TEAM.** Each region should have a closeout/capitalization team, made up of representatives from logistics, AF, IC, and accounting personnel to identify problems, holdups, and ways of resolving them, plus other efforts to close out NAS F&E projects. If needed, representatives from other offices, including headquarters policy and program offices can be included on an ad hoc basis.

4-2. **INSTALLATION**. At the beginning of project installation, the SMO/site physically releases all F&E items on hand to the project engineer, obtaining signatures on all receiving reports contained in the files. Once receipted, the facility maintains a copy to support their files in the event of record discrepancies. If no receiving reports are available, some form of custody receipt document is required.

> HINT: Under no circumstances is the facility custodian to release F&E equipment for a JON other than the one for which the property was acquired.

a. The project engineer performs or oversees any required construction or installation work. Once installation begins, he or she assumes responsibility for protecting the project materiel identified for the project.

b. The project engineers resolve any problems occurring during actual construction or installation phases of F&E projects.

c. At the field office level, SMO managers provide any assistance needed by the installation/construction crew, such as:

(1) Coordinating with the F&E project materiel manager for replacement actions on shipping discrepancies or damaged materiel.

(2) Performing "failure under warranty" transactions (based on information from the project engineer) to make sure of prompt return and replacement of defective items.

d. The project engineer or his or her representative physically verifies, at the system level, equipment types and materiel on hand as compared with the items listed on the receiving reports furnished by the property custodian/designee. They also coordinate with the property custodian/designee to satisfy any outstanding equipment or supply requirements as well as any reporting discrepancies.

e. While installation is going on, the project engineer makes sure no materiel is receipted for or transferred from the project without furnishing the F&E project materiel manager full documentation and information regarding the transaction. They also coordinate actions with the facility custodian to make sure there is proper documentation, care, and protection for all property dismantled or removed from an existing facility. This includes any materiel or equipment acquired for but not used by the project.

f. The project engineer completes the RPI portion of the Capitalization Authorization Form (see figure 12 on page 4-5) at the completion of the plant construction portion of the project and sends it to the F&E project materiel manager.

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FIGURE 12. CAPITALIZATION AUTHORIZATION FORM*

Date: 7/16/98

Job Order Number	12345		Commissioning Date:	1/1/97	
Project Title	Establish ATCT Los Angeles Arpt RWY-03				
Facility Location and Location ID	FAC	FACTYP	RWY #	LOC ID	CCC
City and State					
Project Remarks					
Closeout Type	☐ Full Close-out ☐ Partial Close-out		☐ Plant (Real Property) ☐ Electronic	Verified PMC ☐ Attached ☐ Sent to Logistics from SMO	
	PSR Complete: yes		Reimbursable? Yes	On Airport Property? Yes	

REAL PROPERTY INVENTORY

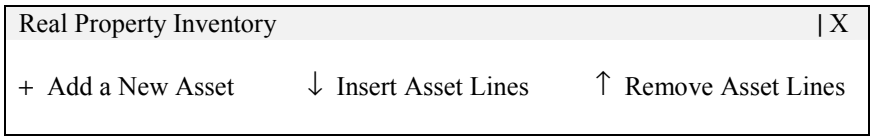
Fill in the asset descriptions, enter "Percent of Asset" for each asset, then insert the "Percent of Total" subtotal for each asset type. Logistics and/or Accounting will apply values to each item on the RPI.

Asset Type	**Asset Description**)	**Percent of Asset**	**Percent of Total**
Land			
	Total		
Buildings			
	Total		
Other Structures			
	Total		
	GRAND TOTAL		

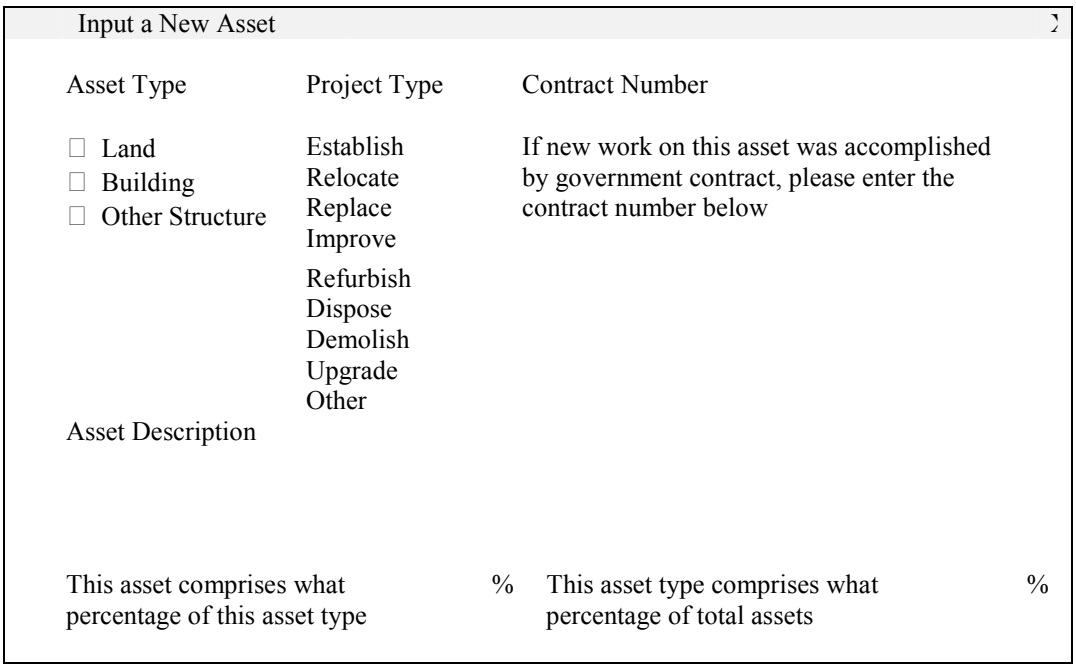
Name	Signature	Routing Symbol	Telephone Number
_____	_____	_____	_____

* This form is taken from ANI SOP 70, Closeout/Capitalization. Refer to SOP 70 for details on completing the form as well as any future updates.

When retrieving this form, the following box will appear:



When you select "Add New Asset," the following box will appear:



HINT: In most situations, the "percent of asset" will be 100%.

4-3. **FACILITY SERVICE AND EQUIPMENT PROFILE (FSEP)**. Facilities need to be established in the FSEP prior to being closed out.

a. By the time of installation, any new facilities should already be established in the FSEP, either in the Precommissioned Facility File (PFF) or Facility Master File (FMF) module. If this has not be done, the individual in the SMO responsible for FSEP maintenance is to initiate FAA Form 6000-12, Change Document Facility Master File establishing the site in the FSEP, identifying the location of the facility.

b. At the same time, the SMO should request a new GSA activity address code (known within FAA as the SSC), in the LIS name and address file and send it to the regional name and address change request coordinator. However, relocating a site does not always require a new SSC, it may simply need to be updated.

4-4. **PRE-JOINT ACCEPTANCE INSPECTIONS (JAI) ACTIVITIES**.

a. Once the specified construction and/or installation work is completed, the project engineer notifies the SMO and the logistics division. The method of notification varies. It can be by ccmail, phone, or form letter.

b. The F&E project materiel manager makes sure all inventories are taken prior to or as part of the JAI, by participating directly and/or requesting the applicable facility manager and project engineer conduct the inventories. The F&E project material manager provides the facility manager (or designee) with an up-to-date PMC to be used as the basis for the inventory.

c. The individual(s) taking the electronics inventory only need to verify those PMC entries contained in the EQUIPMENT TYPES and QUANTITIES column as the other columns do not affect the equipment inventory. Afterward, they update the PMC as follows:

(1) Correct the equipment types and quantities.

(2) Delete any missing items and provide an explanation for all deletions.

(3) Add any equipment received for the JON not already shown.

(4) Add the cost center code, location identifier, and facility code for the facility involved. Include the bar code number, serial number (if applicable), manufacturer, and year of manufacture on any remaining "line-item accountable" property.

(5) Both the project engineer and facility manager, custodian, or delegate sign the updated PMC and return it to the F&E project materiel manager.

d. For the real property inventory, the project engineer and facility manager/custodian takes the same steps as with the electronics inventory, mentioned above, including signing the RPI. The project engineer then sends the RPI to the F&E project materiel manager.

e. The project manager tells the F&E project materiel manager how to dispose of any residue project materiel; e.g., transfer it to another project, excess it, etc. The F&E project materiel manager coordinates disposition with the WIMs for headquarters-provided materiel. The facility manager/custodian tags each item as F&E residue to make sure project residue is properly stored and protected until disposition is made. The SMO logistics representative enters any unrequired in-use property removed from the facility into USD.

4-5. **CAI/JAI**.

a. The CAI may be in a form or letter format. The individual performing the inspection must sign the CAI. The date the CAI takes place will be the acquisition date in RPR/REMS. The CAI must contain, as a minimum, a brief description of the accepted asset, date of the acceptance, name and title of the person

performing the inspection and the office name/symbol of the person performing the inspection. When the work is done by FAA personnel (under a broad general contract), the above information may be provided by the project manager or engineer. The preferred document is the CAI. In some regions, a plant JAI is performed for the construction work at the time FAA takes possession of a facility. Regardless of whether a plant JAI takes place, a CAI is required to establish the date of acceptance for the real property asset.

b. Plant JAIs (electronic) are performed before a new, improved, or relocated facility, system, or equipment is accepted for maintenance and/or operation on a commissioned basis in the NAS. If no electronics work is involved, the plant JAI would also be the final JAI. The project engineer notifies the joint acceptance board chairperson when the facility is ready for the JAI. The SMO representative and project engineer carries out the JAI together with the regional office/SMO logistics representative. Refer to the latest edition of Order 6030.45, Facility Reference Data File, for technical details on accomplishing JAIs.

c. A signed copy of the CAI/JAI is sent to the F&E project materiel manager for inclusion in their JON folder.

4-6. **COMMISSIONING AND PHYSICAL COMPLETION**.

After a final CAI and/or JAI is completed and accepted, the IC budget/program analyst or the servicing accounting office has 30 days to update the JON to status code 3 or 7 in DAFIS and notify the F&E project materiel manager of the change. The IC project manager updates the status to "C" in RTP and completes the Capitalization Authorization Form (see figure 12 on page 4-5). Appendix G, DAFIS/RPMMS to RTP Status Codes Crosswalk, shows the relationship between status codes in these systems. Accounting and IC budget/program analyst then begin the actions necessary for the project to become financially complete. Updating the status in DAFIS automatically changes the status in RPMMS.

4-7. **JCN ACTIVITY DATES**.

a. Use the following JCN schedule activity dates to determine when JONs are eligible for final closeout thus beginning the 6-month timeframe for closing and capitalizating JONs (see paragraph 4-17 on page 4-24):

RTP Code	Activity
8100	Work Completion
8200	Commissioning
8300	In-Service
8500	Decommissioning

b. If a JON is completed but there is no asset ready for closeout/capitalization (see paragraph 3-28 on page 3-38), enter a future date in the applicable activity reflecting when the asset is scheduled for completion.

4-8. **PARTIAL CLOSEOUT ACTIONS**.

a. The F&E project materiel manager:

(1) Transfers any materiel and related non-materiel costs (travel, labor, services) meeting the definition of real or personal property to either RPR/REMS or PPIMS if it meets the agency's property accountability or capitalization thresholds (see paragraph 3-28 on page 3-38). The CAF code can help determine whether or not an asset (and its related non-materiel costs) should become real or personal property. However, in many cases, the code is incorrect in the PMC and the 32-9F reports. In these cases, simply mark any incorrectly coded items on the reports and close the assets to the proper asset category. See paragraph 3-14 on page 3-15, for a listing of codes and descriptions.

(2) Expense costs unless they are part of an asset moved to RPR/REMS or PPIMS. Dollars associated with field spares are always expensed.

b. The IC reprograms/reassigns remaining available active funds after all obligations made on "directed" funds are posted in DAFIS (see paragraph 3-19 on page 3-25).

c. The IC is to closely monitor projects in status code 6 (financially expired, physically incomplete) to make sure JONs don't "hang" in this pending status, and revalidate these JONS when they have been in that status for a year.

4-9. **ALLOWABLE DOLLAR VARIANCES**. Variances of up to 3 percent between the dollars shown on the 32-9F and PMC reports will not impact (hold up) the closeout process. Close out to the dollars on the 32-9F report.

SECTION 2. FINANCIALLY COMPLETING NAS F&E PROJECTS.

4-10. **IC ACTIVITIES**.

a. The IC project manager coordinates with other IC, airway facilities, logistics, and accounting offices to make sure timely financial completion of physically completed projects (normally within 90 days from the date the project becomes physically completed). The following actions are required to financially complete a project:

Required Actions	Responsible Office
Record all project costs	Accounting
Resolve any significant/financial questions	IC & AF
Receipt/update/process required reports and forms	Logistics
Clear unliquidated obligations	IC, AF, Accounting & Contracting
Balance fiscally	IC, AF, & Accounting
Update project status	IC & Accounting

b. Figure 13, Project Closeout Checklist, on page 4-13 is a way for the IC project manager to oversee the actions required to close out projects. A good forum for such actions is the normally scheduled F&E project status review meeting (see paragraph 4-1 on page 4-3).

(1) After a project is designated as physically complete, no new obligations should be made without the prior approval of the IC project manager.

(2) The project engineer works with the facility custodian to identify any remaining information that needs to be provided to the F&E project materiel manager, such as completed inventories and any required documents needed for the F&E project materiel manager to remove residue equipment from the JON.

(3) The IC budget/program analyst resolves significant financial imbalances with accounting. Whenever a physically complete project has zero dollars to be capitalized, they determine why it has not been moved to status code 4 in DAFIS and closed out. Justifications would include a major JAI exception or a large (over $5,000) unliquidated obligation. If there is still money available on the project, they reassign/reprogram those dollars if possible and close the JON. Money remaining on a JON is not justification for keeping it open.

FIGURE 13. PROJECT CLOSEOUT CHECKLIST

Project Closeout Checklist

JON: Facility: PSC:
Location: Control (initiation) Date:

Action Needed	Responsible Office	Date Completed
CAI/JAI Form	ANI	
Verified PMC	RO Logistics	
Equipment Transfer Document (4650-12)	ANI	
RTP Closeout	ANI	
RPI	ANI	
PSRs completed	RO Logistics	
Project Funds Remaining/Deficit	ANI	

(4) After the project engineer completes the Capitalization Authorization Form and forwards it to the F&E project materiel manager, either the IC or accounting office updates the JON to status code 4 in DAFIS.

4-11. **LOGISTICS ACTIVITIES**. The F&E project materiel manager partially or fully closes out the JON (including RPMMS data entry). Full job closeouts normally occur within 30 days from the date the project is financially completed. This includes determining what materiel becomes personal property and transferred (via electronic interface) to PPIMS and what should be real property or expensed. Actions include:

a. Reviewing the capitalization authorization form from ANI to see if it matches the JON's scope. If it doesn't, they are to check with the project manager or engineer.

b. Reviewing charges made against special JON types to decide what amounts, if any, meet the criteria for capitalization versus expense. These JONs are described in paragraphs 2-9 and 3-28.c on pages 2-8 and 3-40 respectively.

- HAZ/OSHA
- RO/Holding/Various
- LSSC/NISC
- TSSC
- Special Projects
- Reimbursable

c. Reviewing the RPI to make sure dollars and/or percentages add up to 100% of total real property expenditures as reflected on the 32-9F report, and descriptions are complete. At the same time, a copy of the RPI is included in the closeout package.

d. Reviewing the verified PMC report returned after the inventory to see if any materiel was not installed.

e. Reviewing project files to confirm code strip information (including the bar code number) has been provided on any line item accountable items not yet closed to PPIMS. Any missing information needs to be provided by the facility custodian.

f. Pulling companion JON files to be closed at the same time. While JONs are closed out individually, companion JONs are normally closed in concert with each other. They are to check with the project engineer or in RTP for a listing of all companion JONs utilizing the RTP JCN.

4-12. **ACCOUNTING ACTIVITIES**.

a. The accounting office and the IC budget/program analyst make sure all project costs are recorded, help clear unliquidated balances, and fiscally balance the job. Accounting pays any outstanding invoices.

b. The accounting office (after coordinating with the IC budget/program analyst), deobligates any remaining unliquidated amount on a JON when the JON has unliquidated obligations (UDO) or undelivered orders and is ready for final closeout and:

(1) The UDO is $5,000 or less,

(2) Is 3 years old or older (as shown on the 32-9F report), and

(3) And has had no activity within the past 18 months, after determining:

(a) Whether subsequent payments are imminent or an invoice is missing. If this is the case, they make sure the invoice is received as soon as possible.

(b) Payment (liquidating remaining unpaid obligations) is not anticipated within 2 weeks, or it if is unclear if there will be future payments.

(4) If the amount is deobligated and a subsequent payment must be made, treat the payment as an operating expense.

(5) Any liquidated balances automatically become available in the appropriation from which it was deobligated (if it is not expired or cancelled).

HINT: These instructions do not apply to unliquidated obligations caused by major contracts such as DITCO and TSSC.

SECTION 3. PROJECT CLOSEOUT AND CAPITALIZATION

4-13. **UNIT OF CAPITALIZATION**. The decision to capitalize or expense costs is made based on all the costs that go in to creating an asset and placing it in service rather than at an individual invoice or charge level. This rule applies regardless of whether those costs are incurred under one JON or many JONs.

4-14. **CLOSING OUT FINANCIALLY COMPLETE NAS F&E PROJECTS**.

a. When reviewing a closeout package, the F&E project materiel manager should ask themselves the following questions:

- Do the requested closeout actions match the scope of the project?
- Are there RPIs for the real property assets?
- Do RPIs equal the amount to be closed out to real property?
- Are there CAIs/JAIs showing completion/acceptance of the assets?
- Are funds being closed out to a viable asset (in lieu of work associated with an activity such as a site survey)?
- If the amount being expensed seems excessive, is there an explanation as to why it is being expensed?
- Are there any questions relating to the dollars associated with installation charges versus equipment?
- Does the JON have any companions? Would activity on companion JON answer any of the above questions?

- Were labor and travel costs associated with real property assigned to real property assets?

b. If necessary, the F&E project materiel manager contacts the project manager/engineer to answer the above questions.

c. The F&E project materiel managers complete the F&E project closeout worksheet shown in Figure 14 on page 4-20, using the criteria shown below.

(1) Subtracts from the subtotal, any prior partial closeouts from the 32-9F report. From the remaining amount:

(2) Subtracts from the PMC all remaining materiel meeting the criteria for selective management and control that will be recorded on a line-item basis. Closes out any accountable personal property that is leased, borrowed, or loaned for a period exceeding 90 days in the same manner as items purchased, using PPIMS ownership code "8, owned by others-FAA-operated leased."

(3) Subtracts all materiel and related charges from the 32-9F report that meet the definition of installed facility equipment (Asset Class 61). Items that are not real property, line-item accountable personal property, or field spares, are rolled up into Asset Class 61 if they are an integral part of the equipment. The aggregate value of such materiel and related charges is recorded by appropriately adjusting the installed facility equipment portion of PPIMS. If the work being done is an improvement to the facility/equipment, record the cost as a separate record in PPIMS.

HINT: Equipment and its appropriate facility identification need to be adequately scrutinized before closeout occurs to make sure the equipment is being closed to the proper facility. Checking the facility number, type and model identified in the FSEP will help. If in doubt, contact your region's in-use property manager.

(4) Subtracts all materiel and related charges (labor, travel, and overhead dollars that are not part of construction) from the 32-9F report associated with the installation of personal property within a facility. The aggregate value of such materiel and related charges are recorded by appropriately adjusting the installation charges segment of the installed facility equipment field in PPIMS.

(5) Subtracts all materiel and related charges from the PMC and 32-9F reports that meet the definition of real property as defined by the Real Estate Policy Branch, ASU-140. The aggregate value of such materiel and related installation charges are recorded in RPR/REMS. Makes sure the dollars closed off to real property include all applicable costs; e.g., labor, travel, materiel, other costs, and overhead.

> HINT: For nationally furnished property, check the stock numbers in the FAA Supply Catalog to help distinguish real property from facility equipment. E.g., for lighting systems, the stock number described as "remote radio control system" would be facility equipment. Normally everything else in the lighting system goes to real property.

(6) Subtracts the remainder of the materiel and charges from the 32-9F report (such as miscellaneous service charges, non-accountable personal property, field spares, etc.) which constitute that portion of the job to be expensed. No entry into PPIMS or RPR/REMS is necessary, however, the SMO must be notified of any field spares so they can add them to the FSI system.

(7) Annotates an explanation on the worksheet whenever a closeout action may look "odd"; e.g., large dollar amount expensed, or dollars assigned to installation charges where there is no facility equipment. The explanation for expensing may be that the majority of the JON was for maintenance versus improvement work. An explanation for installation charges without facility equipment may be that the equipment was bought/received under a different JON. In that case, include the companion JON in the explanation.

(8) Using the completed worksheet, closes out the JON. This process is automated in the RPMMS and moves in-use personal property dollars and materiel to PPIMS. Appendix C, figure 8 on page C-10 is an example of the RPMMS Project Closeout Report and Figure 9 on page C-11 is an example of the RPMMS Project Materiel Batch Transaction Control Report - Project Completion.

HINT: If no materiel was purchased for the JON and there is no PMC you will not be able to use RPMMS to close out the JON. Simply provide a copy of the completed worksheet to the individuals identified in subparagraph (11) on page 4-21.

(9) Updates any internal files/logs as required and annotates the JON file in some easily identified manner, that "this" JON is closed. One way to do this is by drawing a highlighter across the JON number.

(10) Verifies that the JON file is fully documented.

FIGURE 14. F&E PROJECT CLOSEOUT WORKSHEET

F&E PROJECT CLOSEOUT WORKSHEET

PREPARED BY _____ BATCH # _____

PARTIAL ☐ DATE _____ JON # _____

FINAL ☐ DATE _____ COMPANION JONs _____ JCN # _____

COST CENTER _____ LOC ID _____ FACILITY TYPE _____

DESCRIPTION OF WORK _____ CITY, STATE _____

SUBTOTAL FROM 32-9F _____
LESS PRIOR PARTIALS _____
AMOUNT REMAINING _____

ASSET CLASS 62, 63, 64: **TOTAL:** _____
OTHER ASSET CLASS: **TOTAL:** _____

	CCC	LOC	FAC	AMT			
(10)					000		
					001		
					002		
					003		
					004		
					005		
					006	TOTAL:	(10)

A/C 61 INSTALLATION CHARGE:

	CCC	LOC	FAC	AMT			
(10)					007		
					008		
					009		
					010		
					011		
					012		
					013	TOTAL:	(10)

TOTAL ASSET CLASS 61: _____

REAL PROPERTY:

		CCC	LOC	FAC	AMT			
LAND	(A1)					014	TOTAL:	(A1)
BUILDINGS	(A2)					015		
	(A2)					016		
	(A2)					017		
	(A2)					018		
	(A2)					019	TOTAL:	(A2)
STRUCTURES	(A3)					020		
	(A3)					021		
	(A3)					022		
	(A3)					023		
	(A3)					024	TOTAL:	(A3)
LEASEHOLD	(A4)					025	TOTAL:	(A4)

TOTAL REAL PROPERTY: _____

TOTAL EXPENSE:

	AMT			
(BB)		030	TOTAL:	(BB)

REMARKS

RECEIVED BY ACCOUNTING: _____ DATE: _____

(11) Sends the capitalization package (all necessary documents) to the individuals listed in the following table. Figure 15, Closeout Notification on page 4-22, is a sample cover sheet and indicates actions to be taken by recipients.

Accounting	To initiate financial capitalization
SMO/facility manager/ field logistics specialist	For inclusion in the facility files at the SMO logistics office and entry of any spares into the LIS/FSI system
Asset Manager (Real and/or Personal)	For entry into RPR/REMS and inclusion in the permanent Asset Folder

4-15. **CAPITALIZING NAS F&E PROJECTS**. Once accounting receives the closeout package, they update the appropriate general ledger accounts in DAFIS. This is referred to as "capitalization" and normally occurs within 30 days from the date the project is closed. If possible, capitalization should be completed in the same data processing month as the closeout.

a. To capitalize the JONs, the accounting office:

(1) Verifies all required information is attached to the closeout notification and correctly reflects the type of closeout action taken.

(2) Determines if there has been any prior capitalization action for that JON by doing a print option of the JON in the DAFIS 1680 Maintenance Menu. If there is no money recorded a file should be set up. If there is money recorded a file should already have been set up.

FIGURE 15. CLOSEOUT NOTIFICATION

TO: Applicable Accounting Office DATE:
Applicable SMO manager
Real estate manager
Personal Property manager

FROM: Regional F&E Project Materiel Manager, AXX-5X

JON: COMPANION JON:
FACILITY: TYPE OF WORK:
LOCATION: COST CENTER:

The above-identified F&E project has been (partially/fully) closed out.

(1) Accounting is to capitalize applicable dollars, and if fully closed, update it to status code 5. Any additional remarks, if required, are attached.

(2) Real Estate office for completion of RPR and entry into RPR/REMS. (A copy of the RPR is to be returned to the F&E project materiel manager for inclusion in the JON file)

(3) The SMO manager is to maintain these documents at either the SMO or SSC office and pick up any associated field spares into the FSI system.

The following documents are attached to support these actions:

( ) PMC Report
( ) 32-9F Report
( ) Real Property Inventory
( ) Project Materiel Closeout Reports
( ) Field Spares Information

cc: IC project manager, ANI-X00

(3) Validates entries on the project closeout reports. Closeouts can be partial or full, less any withheld unliquidated obligations, if applicable.

(4) Verifies all costs on the 32-9F report have been appropriately closed from RPMMS to other property inventories. DAFIS has streamlined the closeouts so that there will be no separation of fund source. If a project closeout report is attached, it will show what items were dropped from the PMC. The items dropped should be on the PMC provided with the closeout package. Accounting makes sure what is being dropped was originally charged to the PMC. There are times when items have been dropped from the PMC in the same month that they were added.

(5) Enters information on a DAFIS worksheet, making sure the general ledgers equal one another; e.g., that "like" debits equal credits. Information must be written on the worksheet for entry into DAFIS.

(6) Changes the project status to "5" (capitalized) on the 1680 master file, within 1 workday after completion of integration into DAFIS.

(7) Includes entries in the DAFIS batch. DAFIS does not recognize whether there are debits or credits, so add the total amounts together to arrive at a grand total. Count all entries to determine a line count. A batch number is then obtained for terminal entry to DAFIS.

(8) Matches the general ledgers to the batch printout to ensure that everything is correct after the batch has been printed and balanced.

(9) Keeps the information in the closeout file for the JON as a suspense item. When the 32-9F report arrives, verify it for the month the closeouts were entered by looking at the "PARTIAL CAPITLZ" column to make sure the capitalization was applied correctly and the JON was not over capitalized. After verification is

complete, the project closeout folders are filed. Correct any errors in the current month.

b. Once the project is in DAFIS Status Code 5 (capitalized), the IC budget/program analyst or IC project manager updates the project status code to "F" (closed) in RTP.

4-16. **CORRECTING INCORRECT CLOSEOUT ACTIONS**. If a later review of a JON closeout reveals a mistake was made; e.g., dollars closed and capitalized to an incorrect asset, dollars expensed which should have been capitalized, etc., do not make another closeout worksheet. Instead use an asset adjustment sheet indicating the error and correction, and send it to the same offices as were sent the original closeout notification. Figure 16 on page 4-25 shows a sample notification.

4-17. **COMPLETION TIMEFRAME**. The required time frame to complete, close, and capitalize a NAS F&E project is as follows:

Required Effort	Time frame	OPI
From final JAI to Physical Completion (commissioning/in-service date)	30 days	ANI
From Physical To Financial Completion	90 days	ANI
Project Closeout	30 days	Logistics
Financial Capitalization	30 days	Accounting
Total timeframe required	180 days	

4-18. **JON FILE RETENTION**. The F&E project materiel manager is to maintain the JON file for 2 years after the end of the fiscal year in which the JON was closed. For example, if a JON is closed out in June 2000, the file will be retained in the logistics division through the end fiscal year 2002. At that time, they can dispose of the file in accordance with standard agency record retention requirements.

FIGURE 16. ASSET ADJUSTMENT SHEET

Types of Asset Adjustments

Fac Eqt	Install Cost	Line Items	WIP	Expense	Land	Buildings	*Structures*
☐	☐	☐	☐	☐	☐	☐	☐

Existing Real Property Record to be Adjusted

JON	CCC	LOC	TYPE	OCC	GSA #	Prop Use Cd	DUP

Existing Personal Property Record to be Adjusted

JON	CCC	LOC	TYPE	CONTR

ASSET	TRANSFER FROM (Reduce)	TRANSFER TO (Increase)
PP Facility Equipment	$	$
PP Installation Cost	$	$
PP Line Items	$	$
Expense	$	$
RPR (Land)	$	$
RPR (Bldgs)	$	$
RPR (Structures)	$	$
WIP		

Comments:

_____ _____

Approved by - Title Date

Action	RPR Created	RPR Adj	PPIMS Adj	WIP Acct Adj	RPR/DAFIS Acct Adj	PPIMS/ DAFIS Acct Adj	Final Rcvd by Mat'l Mgr
Date							
Initials							

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PART 5

STOCK NUMBER REVIEW

(CLEANUP WORK)

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5-1. **OBJECTIVE.** This process is to make sure stored F&E materiel does not become obsolete/unrequired, and is held for valid F&E projects only.

5-2. **INITIATING THE REVIEW**. Each January, AFZ-500 provides the regions with a report from PMMS showing potential excess F&E materiel for regional review and verification. This report is based on materiel being on-hand at the FAALC on projects (PSRs) with start dates at least 4 years old.

5-3. **REGIONAL PROJECT/ITEM REVIEW.**

a. F&E project materiel managers (with the IC project managers) review the report to determine:

- If project start dates are valid
- if there is still a need for the item(s)

b. Based on information provided by the IC project manager, the F&E project materiel manager either:

- Updates invalid start dates
- Requisitions any required materiel still on the PSR
- Requests the IPT delete unrequired materiel and close the PSR

c. Regions have 60 days to complete this process. Any materiel remaining on PSRs that have not had their start dates updated is turned over to the WIM for processing.

d. The F&E project materiel managers and the project engineers also annually review items in MC "3," unassigned project materiel, transferring any unrequired items residing in this MC for more than 12 months to the LIS USD module.

5-4. **IPT REQUIREMENTS REVIEW**. Once the regional activity is completed, the WIMs will delete any remaining materiel requirements from "old" projects. This action triggers PMMS to move the materiel to an "unassigned" status. Materiel designated as unassigned is then made available to other IPTs in case there may be a need for the materiel on another project. If there is, the materiel is reassigned to the new project by the WIM. WIMs have 45 days to complete their review. After this time, any materiel remaining in the unassigned category is turned over to the FAALC for disposition.

5-5. **FAALC SCREENING/DISPOSITION**. After a review by the WIMs, unassigned project materiel is turned over to the FAALC. AFZ-500 requests another PMMS report, sorted in Aeronautical Center item manager sequence for screening by applicable FAALC product divisions to see if any items are needed for FAALC operations stock. FAALC has 45 days (for materiel with a unit of issue of "each") and 90 days (for materiel with a unit of issue of "system") to complete their review. Any items not picked up to operations stock are turned over to the FAALC Reutilization and Marketing Branch for disposal. At the end of this process, FAALC is to provide AFZ-500 with a summary report on the number and dollars of items moved to operations stock and to excess.

5-6. **DELETING UNREQURIED STOCK NUMBERS**. If, after FAALC action, there is no further need for an item, the WIM requests the F&E item manager and the FAALC cataloging unit to delete the stock number from the F&E master item record.

5-7. **CLOSING THE PSR.**

a. The F&E project materiel manager and the IC project manager review the PSR to make sure all equipment has been cleared off the record. The F&E project materiel manager then enters a suspense action into PMMS indicating the project is completed (or cancelled) and requests the IPT approve the action.

b. The WIM approves or disapproves the request after coordinating with the IPT lead and other affected organizational elements to determine if any additional Washington-procured items are scheduled to be shipped to the project.

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APPENDIX A

PROPERTY CLASSIFICATIONS

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1. PERSONAL PROPERTY CLASSIFICATIONS

a. Installed Facility Equipment and Installation Charges.

(1) Installed facility equipment includes electronic, electrical, or mechanical equipment installed at air traffic control, air navigation, and other operating facilities in the NAS.

(2) Installation charges include the cost to transport th equipment to the installation site, labor, travel, overhead, and other costs incurred to place the equipment in service. Examples of "other costs" included within installation charges are initial testing of the equipment and flight checking the equipment.

b. Line Item Accountable Property - This includes stand-alone equipment owned by the FAA, and excludes installed facility equipment (as defined above). A listing of items maintained in PPIMS as line item accountable property is shown on page A-4.

c. Aircraft and Aircraft Engines. This includes FAA's fleet of aircraft (airframes) and its supply of aircraft engines. Aircraft engines are recorded in separate asset records from the related aircraft because they have different expected service lives.

d. Administrative Information Systems. This includes software for non-NAS information systems used by FAA personnel to perform their work, including purchased software, internally-developed and contractor-developed software, as long as it is for internal (FAA) use (not for sale or licensing). Such software is recorded at the organizational level in which it was acquired or developed. For example, DAFIS would be recorded at headquarters since it is a national system. Hardware is recorded separately, as a line item accountable item. Examples of administrative information systems are:

- DAFIS
- PPIMS
- PMMS
- RPMMS
- RTP
- Cost Accounting System

LINE ITEM ACCOUNTABLE PROPERTY

Item	Dollar Threshold
Sensitive:	
Ammunition and firearms	At any cost
Test Equipment	$100 or above
Audio visual equipment	$500 or above
Automated data processing equipment	
Photographic equipment	
Telecommunications equipment	
Printing and duplicating Equipment	
Recording equipment	
Selectively Managed	$1,000 or above
Appliances	
Athletic equipment	
Avionics	
Commissary equipment	
Electrical hand tools	
Emergency readiness equipment	
Fire, rescue, and safety equipment	
Food preparation and serving equipment	
Laboratory and medical equipment	
Maintenance, repair shop, and hand tools	
Office machines (including facsimiles)	
Ship and marine equipment	
Training equipment	
Vehicles, special purposes	
All other personal property	$2,500 or above

e. Assets Under Capital Lease. This is a lease that substantially transfers all the benefits and risks of ownership (which may or may not result in taking title) to the lessee. Capital leases may be classified as either real or personal property.

f. Improvements. An improvement either (1) increases the estimated service life of the asset by at least 2 years, (2) increases the capacity of the asset, or (3) improves the performance of the asset. Evaluate improvements for capitalization separately from the original asset that it improves. The original cost of the asset does not affect this determination. A capitalizable improvement should be recorded as a separate record in PPIMS.

2. REAL PROPERTY CLASSIFICATIONS.

a. Owned Land and Land Rights. This category includes all government-owned land or interest in land (ownership in fee simple or ownership of easements) under FAA control. For additional guidance in identifying real property, see Order 4660.8, Real Property Management and Disposal, Appendix A. The value of the asset comprises all costs incurred to acquire the land, including:

- contract purchase price of the land, any external legal fees for activities such as title search costs or closing costs (services not performed by FAA employees)
- title insurance costs
- condemnation costs (including settlement costs)
- plots, survey and appraisal fees costs incurred due to an EDDA
- removal of structures or facilities purchased but not used (less credit for salvaged materiel)

HINT: An easement provides limited land rights, which may or may not have monetary value. In addition, the term of an easement may be indefinite, or it may have a stated term.

b. Owned Buildings. This category includes government-owned buildings under FAA control. All costs incurred to construct the building and to prepare the building for its intended use are eligible for capitalization. Examples of these types of costs are:

- Design and engineering costs
- Fixtures and equipment that are normally required for functional use of the building; either built into the structure or otherwise permanently affixed. when the removal of these fixtures would materially damage the building, such as heating and lighting fixtures, elevators, air conditioning systems, built-in safes, vaults, partitions, and plumbing
- Fixtures and equipment installed outside the building(s), that support one of the systems necessary for the primary function of that building only, such as fuel tanks (both above and below ground) for heating systems, compressors for air conditioning systems, and water tanks
- Any addition, annex, lean-to, attached shed, garage, underground room, or modification that becomes an integral part of a building after original construction or acquisition, such as an underground equipment room for a tower, a lean-to attached to a hangar
- Built-in cabinets, storage bins, safes, vaults, etc., such as kitchen cabinets in living quarters
- Initial site preparation costs, including clearing, grading and drainage costs, and landscaping

c. Improvements. An improvement either (1) increases the estimated service life of the asset by at least 2 years, (2) increases the capacity of the asset, or (3) improves the performance of the asset. Evaluate improvements for capitalization separately from the original asset that it improves. The original cost of the asset does not affect this determination. Nor does the designation of the FAA appropriation (F&E or operations) influence the capitalization determination. A capitalizable improvement should be recorded as a separate record in RPR/REMS.

d. Owned Other Structures.

(a) This category includes other structures and facilities owned by the FAA. All costs incurred to construct the structure and prepare it for its intended use are eligible for capitalization.

(b) Other structures are any structures (other than buildings) that possess characteristics of physical or operational permanence, are permanently affixed or attached to the land or a building by foundation or otherwise, and that at the time of construction are not designed to be dismantled and moved for use elsewhere. Examples include:

- Airfield structures - including taxiway pavements, aprons, warm-up pads, turnoffs, bypasses; and dams, concrete ditching and pipes that make up the drainage system serving the airfield up to where the system discharges into another system, open water or ground
- Airport runway, threshold and taxiway lighting system - including installed fittings, fixtures, conduit, transformers, regulators, cable, wire, etc., up to where power and control cables enter a building

- Roads or road components - including pavement, concrete ditching, culverts, bridges, guard rails, signs or signals, etc.
- Visual landing aid systems - including installed lamps, steel supports, fittings, fixtures, conduit, transformers, junction boxes, substations, cable wire, etc., up to where power and control cables enter a building
- Antenna components – including towers, poles, counterpoises, supports, insulators, wire, waveguide lead-in cable (up to where waveguide cable or wiring enters a building)
- Fuel and water distribution components serving more than one building or activity - including storage tanks, pipes, valves, reservoirs, etc., up to where the service enters a building (if such a system serves only one building, then it would be capitalized as part of the cost of that building, rather than separately as an other structure or system)
- Fire protection system, serving more than one building, including storage tanks, pipelines, pumps, valves, fittings, hydrants, alarm systems, etc., up to where the service exits from or enters a building
- Power generation or distribution system serving a building or structure, including poles, towers, cables, wire, transformers, protective devices, insulators, etc. (but excluding engine generators and uninterruptible power systems (regardless of size), which are considered installed facility equipment) up to where the service exits or enters a building
- Sewage disposal components – including drains, pipelines, treatment tanks, outfalls, etc. from the building outward
- Communications systems - including cable, lines, poles, towers, fittings, insulators, etc., up to where lines or cable exit or enter a building, or is connected to a commercial service

- Communications structures installed on land - including towers, cable, wire, up to where the wiring or cable enters a building
- Tramways, marine railways, piers and wharves – including electrical and mechanical devices, such as cranes, winches, motor capstans, etc., used in their operation. Small structures attached to wharves, piers, tramway etc., primarily housing (that is not a building) associated operating equipment are also considered part of the structure
- Paved parking areas – including electric lines, lighting, connections, outlets, etc., from the power source or meter connection
- Sidewalks that are a part of a system serving more than one building or activity
- Fencing, including gates and fittings built as one integral unit
- Initial landscaping, including clearing, grading and drainage costs, incurred in connection with the construction of an other structure

e. Leasehold Improvements. These are improvements of a permanent nature made to real property (land, buildings, and other structures) that is leased or built on land that is leased. It provides an additional capability, enlargement, modification, or major renovation that increases usefulness or materially prolongs the useful life of a building or structure or converts a building or structure to a different use.

f. Assets Under Capital Lease. This is a lease that transferred substantially all the benefits and risks of ownership (which may or may not result in taking title) to the lessee. Use the RE capital lease worksheet to determine a capital lease. Capital leases may be classified as either real or personal property.

3. **LEASEHOLD IMPROVEMENTS VERSUS MAINTENANCE EXPENSES.** The following table distinguishes between leasehold improvements and maintenance expenses at a leased location. If a leasehold improvement does not meet the capitalization threshold, expense it.

Description	Classification
Widening a road	Leasehold improvement
Replace a roof	Leasehold improvement
Repair of bathroom fixtures	Maintenance expense
Emergency repair of plumbing system	Maintenance expense
Replace A/C unit (permanently attached to building)	Leasehold improvement
Replace built-in cabinets, storage bins, safes, and vaults	Leasehold improvement
Adding alarm and sprinkler system	Leasehold improvement
Painting newly constructed temporary removable partitions	Maintenance expense.

4. **DISTINGUISHING BETWEEN REAL AND PERSONAL PROPERTY.** While most property classifications are fairly well defined and clear, other areas are not. Listed below are hints on distinguishing between some of FAA's more ambiguous property descriptions.

Property	Description	Classification
Communication systems	(1) Cable, lines, poles, towers, fittings, insulators, etc., up to where lines or cable exist or enter a building or is connected to a commercial service*	(1) Real (other structures)
	(2) Electronics required for the communication system to operate	(2) Personal (installed facility equipment)
Communication structures	Towers, cable, wire, up to where the wiring or cable enters a building*	Real (other structures)
Cable system	Cable systems (connecting several buildings or structures)	(1) Real (other structure)
	Cable required to install facility equipment that easily accessible/removable	(2) Personal (installed facility equipment)
Fuel Tanks	Above and below ground	Real (other structure
Power generation or distribution systems	(1) serving a building, including poles, towers, cables, wire, transformers, protective devices, insulators, etc., up to where the service exists or enters a building*	(1) Real (other structures)
	(2) Engine generators and uninterruptible power systems (regardless of size)	(2) Personal (installed facility equipment)
Visual lighting & landing aid systems; e.g., MALSR, PAPI, ALSF-2	(1) Including installed lamps, steel supports, fittings, fixtures, conduit, transformers, junction boxes, substations, cable wire, etc., up to where power and control cables enter a building*	(1) Real (other structures)
	(2) Electronics equipment	(2) Personal (installed facility equipment)
Multiple	Antennas placed on structure	Personal (installed facility equipment)
Radar systems; e.g., ASR, ARSRs	(1)Antenna Mast, Radome	(1) Real (other structures)
	(2) Radar system	(2) Personal (installed facility equipment)

*Once cable enters a building, it becomes part of the building cost.

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APPENDIX B

FINANCIAL ACCOUNTING TREATMENT OF TYPICAL FAA COSTS

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	Types of Costs	Capitalize/Expense
1	Additions to Existing Assets (extends capacity/service life; roof, HVAC	Capitalize
2	Administrative Costs (direct) of developing and fielding a system (either FAA or contractor incurred) (after technological feasibility has been proven)	Capitalize
3	Advance Payments	See note 1
4	Architecture & Engineering Costs (Rendering, Soil Testing, Drawings)	Capitalize
5	Building Costs (FAA owned) - original costs and major improvements (e.g., purchase price, survey, drawings, installation, preparation work). Includes attached fixtures-lighting/air conditioning	Capitalize
6	Calibration of Equipment:	
	a) incurred prior to project completion	Capitalize
	b) incurred after project completion	Expense
7	Configuration Management (after technological feasibility has been proven)	Capitalize
8	Contractor Logistics Support, Contractor Depot Logistics Support (after project completion)	Expense
9	Damage Claims (incurred prior to project completion)	Capitalize
10	Decommissioning Costs (clean-up, site restoration, Environmental Due Diligence Act)	See note 2
11	Deployment Readiness Review (In Service Decision)	Capitalize
12	Design (System and Engineering) Costs – hardware/software, Failure Mode Criticality Analysis, maintainability/reliability program and demonstration costs	
	a) before feasibility has been determined	Expense
	b) after feasibility has been determined	Capitalize
13	Design Reviews (e.g., Formal Qualification Reviews, preliminary and critical design reviews)	
	a) before feasibility has been determined	Expense
	b) after feasibility has been determined	Capitalize
14	Documentation (System) Costs - incurred prior to project completion (e.g., user guides, manuals)	Capitalize
15	Easements (land rights)	Capitalize
16	Engineering Costs (see also Design Costs)	Capitalize
17	Environmental Impact (new construction)	Capitalize
18	Environmental Remediation Costs (FAA owned property)	
	a) Underground Storage Tanks and Asbestos Removal	See note 3
	b) Soil Removal and Restoration	
	1) as part of a new facility construction	See note 4
	2) as part of cleanup following decommissioning	See note 2

	Types of Costs	Capitalize/Expense
19	Equipment Costs (FAA owned) initial cost and major improvements; e.g., radars, ILS receivers	Capitalize
20	Failure Mode Criticality Analysis - see Design Costs	
21	First Articles	See note 5
22	Furniture	Expense
23	Handling and Storage Costs	Capitalize
24	Incentive Fees to Contractors (to reward performance goals)	Capitalize
25	Labor Costs During Construction	See note 6
	a) TSSC (Technical Support Services Contract)	Capitalize
	b) LSSC (Logistics Support Services Contract)	Expense
	c) Region F&E personnel; e.g., Activity 5 funds	Capitalize
	d) HQ Program Management Office & IPTs	See note 6
	e) HQ Contractor Support to Program Offices (System Eng. and Tech. Assistance-SETA)	Capitalize
26	Land Acquisition Costs; e.g., survey, title services, appraisals, fees, razing existing structures acquired from others, EDDAs (for purchased or leased site), purchase price	Capitalize
27	Legal Fees - incurred to bring project to its intended use (e.g., title/recordation costs)	Capitalize
28	Lease Payments for Land and Property, Plant & Equipment (PP&E)	
	a) Capital Lease	Capitalize
	b) Operating Lease (if lease qualifies as capital lease, contact AFM-210	Expense
29	Leasehold Improvements (e.g., major renovations, relocate walls, rewire buildings)	Capitalize
30	Legal Fees - External (incurred to bring project to its intended use)	Capitalize
31	Materiel Costs	
	a) Contractor Acquired Property (CAP)	Capitalize
	b) Other contractor provided materiel	Capitalize
32	Maintenance and Repair Costs (see also Contractor Logistics Support0	Expense
33	Modifications to systems or equipment; e.g., upgrades, equipment "leapfrog" modifications)	Capitalize
34	National Airspace Integrated Logistics Support (NAILS)	
	a) costs incurred during the construction/acquisition phase	Capitalize
	b) costs incurred during the operation phase	Expense
35	Operating Materiels & Supplies	See note 7
36	Other Structures - FAA owned (Original Cost and Major Improvement) e.g., Airfield Systems, Airport Runways, Aprons, Taxi Lighting	Capitalize

	Types of Costs	Capitalize/Expense
37	Packaging, Postage and Packing (contractor's costs):	
	a) costs incurred prior to project completion	Capitalize
	b) costs incurred after project completion	Expense
38	Penalties; e.g., fees charged for late payments, etc.	Expense
39	Prepayments	See note 1
40	Production Readiness Review	Capitalize
41	Progress Payments	See note 1
42	Project Management Costs - baseline and contractor administration	Capitalize
43	Prototypes	See note 5
44	Real Estate Costs (incurred to place the project into operation, see also Land Acquisition Costs)	Capitalize
45	Renovation Costs - See Buildings, Equipment & Other Structures and Leasehold Improvements	Capitalize
46	Rental Costs:	
	a) equipment/storage space (prior to project completion)	Capitalize
	b) equipment/storage space (after project completion)	Expense
47	Repair Costs - Emergency Repairs, Routine Repairs	Expense
48	Research and Development Costs (see also Note 2)	Expense
49	Service Costs (incurred after project completion)	Expense
50	Shipping Costs for new systems (including Handling & Storage):	
	a) to point of intended use	Capitalize
	b) after point of intended use	Expense
51	Site Construction Costs (see also Land Acquisition Costs)	Capitalize
52	Site Selection Costs (e.g., legal, survey, design, studies):	
	a) if site was selected for lease or purchase	Capitalize
	b) if site was not selected for lease or purchase	Expense
53	Software Costs (internally and externally produced, embedded)	See note 8
54	Spares:	
	a) component of system, hot wired	Capitalize
	b) other spares (e.g., depot spares, peculiar spares, site spares)	See note 7
55	Special Tools and Test Equipment Hardware	Capitalize
56	System/Subsystem Integrity Check Demonstration	Capitalize
57	System Tests (e.g., Fail Safe Demonstration, Interface Test, Operational Test and Eval.):	
	a) incurred prior to project completion	Capitalize
	b) incurred after project completion	Expense
58	Technical Manuals	Capitalize
59	Technology Refreshment of COTS components (includes Product Improvements or Upgrades)	See note 9
60	Technical Support Services:	
	a) incurred prior to project completion	Capitalize
	b) incurred after project completion	Expense

	Types of Costs	Capitalize/Expense
61	Telecommunications	
	a) Initial	Capitalize
	b) Service	Expense
62	Test Equipment (procured as component of system)	Capitalize
63	Test Readiness Review	Capitalize
64	Training Courses & Devices - Development and/or construction (system specific)	Capitalize
65	Training Courses - Execution and delivery of training & support services	Expense
66	Travel:	
	a) in support of a NAS development project	Capitalize
	b) not in support of a NAS development project	Expense
67	TSSC Materiel	Capitalize
68	Utilities:	
	a) to bring project to intended use; e.g., installation, site prep, etc.	Capitalize
	b) after project completion	Expense
69	Warranties – extended	See note 10

Note 1. Advance payments and prepayments are payments made to contractors before the completion of the related task or delivery of the item, and are often based on a percentage of contract completion to a progress payment account. Record these payments as prepaid assets (progress payments account).

Note 2. Do not capitalize such cleanup costs. At the time an asset is placed in service (commissioned), estimate what cleanup costs will be incurred in connection with its subsequent decommissioning. Then allocate that estimated total cleanup cost proportionately over the service life of the asset, with a portion of it recognized as expense (and accrued for as a liability) during each service year. Such accrual does not impact the asset's gross value or depreciation, but instead accumulates it is an accumulated liability account.

Note 3. For hazardous materials projects that clean up existing facilities and do not include equipment or materiel, expense all costs as they are incurred. If new equipment or materials are acquired to address environmental concerns (such as scrubbers or filtration devices), account for such equipment as new capital assets if it meets accountability thresholds. Otherwise expense the equipment.

Note 4. Cleanup costs may be incurred in connection with bringing a property to a form and location suitable for its intended use; therefore they are eligible for capitalization, along with other site development costs.

Note 5. Expense any costs incurred on a first article or prototype before technological feasibility has been established. After technological feasibility is established, the subsequent costs of constructing and installing a first article are eligible for capitalization and depreciation. If the first article is placed in service at a site, depreciate it over its estimated service life at that site. If not intended to be placed in operational service, but will be used solely for testing, capitalize and depreciate it over the estimated service life of the entire program (treatment parallel to common project costs. if the system is destroyed during testing, write off the asset at that time.

Note 6. Allocate labor costs (whether from FAA Headquarters, regional offices or contractors sources. However, with current system limitations, headquarters labor costs cannot be capitalized and should therefore be expensed.

Note 7. Spares are accounted for as Operating Materiel and Supplies (OM&S). They are not capitalized with the F&E project, nor are they expensed at time of procurement, but at the time of project closeout.

Note 8. Consider software embedded in a system to be a part of the project's total cost. Other software costs (both internally and externally incurred) which are procured independently of the hardware on which it is resident, may be capitalizable costs. Examples of capitalizable costs are the costs to purchase or develop the software including design, coding, testing, installation, and any enhancements to existing software that result in significant additional capabilities of the software. Examples of software costs that are not eligible for capitalization include evaluation of alternatives, data conversion costs, costs incurred after final acceptance, software maintenance or enhancements that merely correct a design flaw or extend the useful life of the software.

Note 9. If the original asset was recorded as line-item accountable, delete the old record and record the replacement component as a new detail property record and capitalize it if it meets the capitalization criteria. If the original asset was recorded as a system, determine whether the replacement component increases the capacity or extends the service life of the asset. If it does, capitalize it as an improvement if it meets the capitalization criteria; if it does not, expense it.

Note 10. If FAA purchases an extended warranty, record it as a prepaid asset and amortize it over the life of the warranty.

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APPENDIX C

SAMPLE REPORTS

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FIGURE 1. PMMS PROJECT STATUS REPORT (PSR)

FEDERAL AVIATION ADMINISTRATION
LIS / PROJECT MATERIEL MANAGEMENT SYSTEM
** PROJECT STATUS REPORT BY PCN **

REPORT NBR: LGP269
DATE: 09/30/99 12:28
PAGE: 1

PROJECT STATUS ESTAB	CHANGE	PCN	PROG MGR	PROJ TYPE	LOCATION	SSC	TYPE WORK	FY	REIMB CODE	SPEC PROJ	START DATE	PML ESTAB	JOB ORDER NBR	BUDGET
0	0	ABPA	08	3	GALESBURG IL 20	C-695118-3313	100	1986	1	3313	02/25/00	07/16/85	61843	101

LINE ITEM NBR	NSN	DESCRIPTION	POC	IM	ACT	UI	UNIT PRICE	VALUE	RQD QTY	SOURCE FAALC/ DIRECT	ON-HAND FAALC	SHIPPED FAALC/ DIRECT	DUE-IN FAALC/ DIRECT	DATE AVAIL
1	5820-01-193-3917-1	XMT E03-003275	W	86		EA	3192.00	3192.00	1	1	1	0	0	
										0		0	0	
6	6210-01-226-3833-1	INTERFACE UNIT	W	86		EA	1071.00	1071.00	1	0	0	0	0	
										0		0	0	
7	6210-01-216-9154-1	REIL FA10096	W	86		SE	14950.00	14950.00	1	1	1	0	0	
										0		0	0	
8	5895-01-194-5965-1	PNL D03-003271	W	86		EA	1532.00	1532.00	1	1	1	0	0	
										0		0	0	
9	5820-01-295-8890-1	SW ASSY CABINET	W	86		EA	3008.09	3008.09	1	0	0	0	0	
										0		0	0	
10	7050-01-193-3919-1	ENCODER IFU	W	86		EA	2788.00	2788.00	1	1	1	0	0	
										0		0	0	
12	5811-01-295-8899-1	RECEIVER	W	86		EA	3868.07	3868.07	1	1	1	0	0	
										0		0	0	
13	5985-01-297-4109-1	RECEIVER ANTENNA	W	86		EA	147.08	147.08	1	1	1	0	0	
										0		0	0	
14	5865-01-295-8895-1	DECODER	W	86		EA	3741.75	3741.75	1	1	1	0	0	
										0		0	0	
15	5985-01-189-9877-1	FAAE2723XMTANTENNA	W	86		EA	211.00	211.00	1	1	1	0	0	
										0		0	0	

TOTAL LINE ITEMS: 10 TOTAL VALUE: 34,508.99

** END OF REPORT **

The PSR is based on the PML for a specific project. The total nationally provided project requirements may be contained in more than one PSR, as separate PCNs may be assigned depending upon the number of responsible offices involved in a project.

FIGURE 2. PMMS REQUIREMENTS AND ASSETS (R&A) REPORT

FEDERAL AVIATION ADMINISTRATION
LIS / PROJECT MATERIEL MANAGEMENT SYSTEM

REPORT NBR: LGP211
DATE: 09/30/99 13:38
PAGE: 1

ON-LINE REQUIREMENTS / ASSET REPORT - ** PROG MGR / NSN QUERY **

WIM	ACIM	NATL STOCK NBR	DESCRIPTION	UI	UNIT PRICE	ASSETS SERV /UNCOMT	COMM UNSERV	O-H UNASG	TOTAL FAALC DUE-IN /UNASG	TOTAL REQUIREMENTS ASSIGN	REQD	DISTRIBUTION APPVD /BUDG	FIVE YR	TOT APPVD /BUDG	SHORT APPVD /BUDG
50	73	8200-00-120-46571	RSCE	EA	8200.00	7	1		0	18		18	0		3
						0		0	0			0			0

;

PCN	P T	PROG MGR	START DATE	LOCATION	FY	FAC TYPE	T-W CODE	SERV COMM	UNSERV	DI ASGN	DUE-IN DATE	APPVD	BUDG	FIVE YEAR	SHORT APPVD
999J	1	05	10/26/97	5 YEAR PLAN	1990	3131	100	7	1	0	DUE R05/13/98	10	0	0	2
CE99	3	05	11/01/91	NASHVILLE 02C	1990	3131	101	0	0	1	DUE W01/26/94	1	0	0	0
5HM7	3	05	01/01/92	FARMINGDALE 14	1990	3131	101	0	0	1	DUE W01/27/92	1	0	0	0
WPEK	3	05	03/01/92	LATROBE 23	1990	3131	101	0	0	1	DUE W01/27/92	1	0	0	0
MW7Y	3	05	04/01/92	NO. PHILA 24	1990	3131	101	0	0	1	DUE W03/01/92	1	0	0	0
HC1Y	3	05	03/01/93	CHARLESTON, SC	1992	3131	101	0	0	0		1	0	0	1
0709	3	05	07/19/93	BOWRMN FLD 24	1990	3131	101	0	0	1	DUE W06/01/92	1	0	0	0
HEDD	3	05	01/30/95	MANCHESTER,NH	1992	3131	101	0	0	1	DUE W10/31/93	1	0	0	0
U683	3	05	08/01/99	READING, PA 13	1992	3131	101	0	0	1	DUE W04/30/93	1	0	0	0

* SHORTAGE SUMMARY *	APPROVED	BUDGET	PROJECT CODE
	2	0	1990 3131 100
	1	0	1992 3131 101

** END OF REPORT **

The R&A report is a listing, available in WIM and stock number sequence, by project materiel line item contained in PMMS. It indicates the status of a given item such as total requirements of an item by project, total assets on hand (committed, uncommitted, and unserviceable) and shortages by project code. From the R&A report, the WIM can determine the overages and shortages of an item. With this information, the WIM coordinates with the affected IPT leads in developing a disposal or acquisition plan.

FIGURE 3. PMMS DUE-IN REPORT

FEDERAL AVIATION ADMINISTRATION
LIS / PROJECT MATERIEL MANAGEMENT SYSTEM
** PROJECT MATERIEL DUE-IN INQUIRY BY PCN **

REPORT NBR: LGP259
DATE: 09/30/99 12:28
PAGE: 1

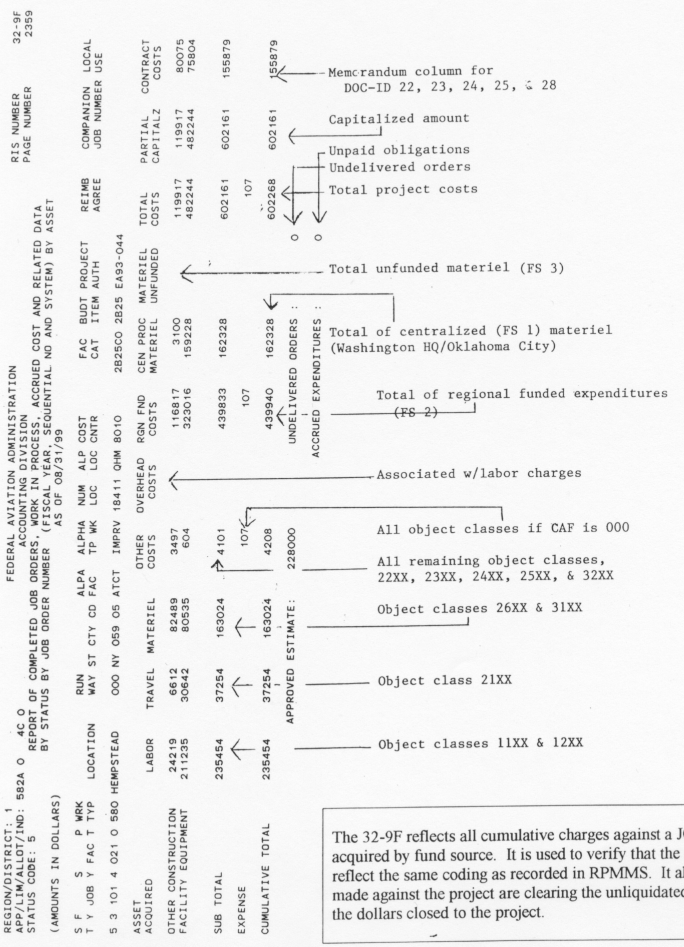
PCN: Q3H1 START DATE: 08/01/99 LOCATION: BARROW, AK (RWY 06)
TYPE FACILITY: 3326 FISCAL YEAR: 1993 TYPE WORK: 531 JOB-ORDER-NBR: 70303

NSN	DESCRIPTION	UNIT OF ISSUE	DUE IN DATE	CONTRACT NUMBER	CONSIGNEE CODE	ASSIGNED DUE IN QUANTITY
6210-01-319-0616 1	A-G MOD KIT,SPECIA	EA	09/24/99	0194Y01030	1	1
8200-00-530-9099 1	MALSR W/RMS	SY	09/24/99	0194Y01030	1	1
8200-00-530-9101 1	SITE SPARES	SE	09/24/99	0194Y01030	1	1
8200-00-530-9102 1	RMS SYSTEM	SY	09/24/99	0194Y01030	1	1

** END OF REPORT **

The Due-in report is a listing available in WIM and stock number sequence by stock number/project/document number; e.g., PR/contract number) of project materiel availability dates for specific stock numbers and projects. Due in dates must be established in PMMS before this report can generated.

FIGURE 4. DAFIS 32-9F REPORT



The 32-9F reflects all cumulative charges against a JON. It breaks out materiel acquired by fund source. It is used to verify that the materiel entries in DAFIS reflect the same coding as recorded in RPMMS. It also indicates if payments made against the project are clearing the unliquidated obligations and reflects the dollars closed to the project.

FIGURE 5. RPMMS DETAILED JOB ORDER (DJO) REPORT

01/31/99 PROJECT MATERIEL DETAIL JOB ORDER REPORT-PART 1 RIS LG 4650-18 REG 1 JOB-MMPB4650 PAGE NO 1

PROJ STATUS JO NO LOC NAME AGREEMENT TYPE WORK FAC-TYPE ALPHA
4 12902 000-SHENANDOAH 550 IMPRV 0110 DMN

COST CNTR	M C	COST CODE	JOB ORDER	NATIONAL STOCK NUMBER	EQUIPMENT TYPE DESCRIPTION	QUANTITY	UNIT PRICE	TOTAL AMOUNT	GSA ADDR	F S	TR CD	T R	TPSI VCHR	DOCUMENT NUMBER	BTCH NMBR
84HB	2	440	12902	5895-01-339-6294	3600 MODEM MNTG KIT	7	25.00	175.00	693441		81			5757901Z	590
84HB	2	440	12902	5895-01-364-6850	ANALOG VF PAT PANEL	1	378.00	378.00	693441		81			5757901Z	590
84HB	2	440	12902	5895-01-364-6864	PREMUIM MODEM	7	2,096.00	14,672.00	693441		81			5757901Z	590
84HB	2	440	12902	5895-01-365-5177	RS232 DIGITAL P/P16	1	1,002.00	1,002.00	693441		81			5757901Z	590
84HB	2	440	12902	5895-01-365-5178	RS232 DIGITAL P/P18	3	1,002.00	3,006.00	693441		81			5757901Z	590
84HB	2	440	12902	5995-01-364-6846	3FT SINGLE JACK VF	2	23.00	46.00	693441		81			5757901Z	590
84HB	2	440	12902	5995-01-364-6847	3FT DOUBLE JACK PC	2	19.00	38.00	693441		81			5757901Z	590
84HB	2	440	12902	5995-01-364-6848	4FT XOVER DIG PAT C	4	64.00	256.00	693441		81			5757901Z	590
84HB	2	440	12902	5995-01-366-0643	4FT DIGITAL PAT COR	10	47.00	470.00	693441		81			5757901Z	590
84HB	2	440	12902	8200-00-140-4706	3FT STRAIGHT CABLE	63	18.00	1,134.00	693441		81			5757901Z	590
84HB	2	440	12902	8200-00-140-4788	10FT AUDIO CABLE	2	32.00	64.00	693441		81			5757901Z	590
84HB	2	440	12902	8200-00-140-4807	5 1/4 INCH BLANK PA	1	23.00	23.00	693441		81			5757901Z	590
84HB	2	440	12902	8200-00-140-4808	7INCH BLANK PANEL	2	23.00	46.00	693441		81			5757901Z	590
84HB	2	440	12902	8200-00-140-7806	REMOTE LOC RAC 66BL	1	2,357.00	2,357.00	693441		81			5757901Z	590

PROCESS CODE 2 TOTAL	23,667.00
ASSET-4 TOTAL	23,667.00
M.C.-2 TOTAL	23,667.00
JOB/ORDER 12902	23,667.00

The DJO report reflects all RPMMS data entry, regardless of source. It consists of two parts, matching Parts 1 and 2 of the PMC, and provides the capability to review the accuracy of transactions and transfer receiving documents to the JON file. It is a convenient means to correct erroneous data by annotating the report, thus eliminating the need for code sheets for error correction. It can also be used as a monthly listing for verification.

FIGURE 6. RPMMS PROJECT MATERIEL CUMULATIVE (PMC) REPORT

09/21/99 PART 1. PROJECT MATERIEL CUMULATIVE REPORT MC 1,2 REG 1 JOB MMPB1850 PAGE NO 1

PROJ-STATUS 1 | JO NO 80784 | LOC NAME SYR SYRACUSE | AGREEMENT | TYPE WORK 604 REPLA | FAC-TYPE ALPHA 021 ATCT

COST CNTR	M C	COST CODE	NATIONAL STOCK NUMBER	EQUIPMENT TYPE DESCRIPTION	QUANTITY	UNIT PRICE	TOTAL AMOUNT	DTE Y M	GSA ADDR	F S	W H	TR CD	DOCUMENT NUMBER	BTCH NMBR
83CJ	2	330	5340-00-EA0-9459	ELEC SUPP	1	4,763.75	4,763.75	9-6	692380	2	X	83	CRED0061	652
811B	2	330	6145-00-EA0-0579	CABLE	1	1,054.40	1,054.40	9-6	692324	2	X	83	CRED0527	652
8060	2	440	5820-01-422-9966	RECEIVER,U	2	4,482.62	8,965.24	9-7	692380	1	X	81	916739RM	001
8060	2	440	5821-01-372-9901	TRANS,SIG.	1	7,226.00	7,226.00	9-7	692380	1	X	81	916739RM	001
81FJ	2	440	5340-00-EA0-9459	ELEC SUPP	1	1,233.30	1,233.30	9-6	692214	2	X	83	CRED0683	652
81FH	2	440	9999-00-999-9998	BOTTLE GAS	1	86.49	86.49	9-6	692214	2	X	83	CRED1111	652

FUND SOURCE 1 TOTAL	16,191.24
FUND SOURCE 2 TOTAL	7,137.94
FUND SOURCE 3 TOTAL	.00

	--------MC1--------		--------MC2--------		
ASSET 0	.00		.00		
ASSET 1,2,3	.00		5,818.15		
ASSET 4,5,6,7	.00		17,511.03		
ASSET 8	.00		.00		
TOTAL	.00	+	23,329.18	=	23,329.18

PMCs come in two parts. Part 1 is an accumulation of all MC 1 and 2 items charged to projects in a region. Part 2 is an accumulation of all MCs. The PMC provides: (1) a cumulative record of all materiel furnished to a project; (2) the capability to monitor transactions as they accumulate in work-in-process to make sure accounting and subsidiary records are accurate; and (3) the required data to promptly close out real and personal property upon project completion.

FIGURE 7. RPMMS QUARTERLY PROJECT MATERIEL MANAGEMENT REPORT

REGION
GREAT LAKES

QUARTERLY PROJECT MATERIEL MANAGEMENT REPORT
QUARTER ENDING: 06-30-99

RIS 4650-20

MMPB5100

	MC-1 RESERVED	MC-2 WORK-IN-PROGRESS	MC-3 UNASSIGNED	MC-4 COMMON USE HI VALUE	MC-5 COMMON USE LO VALUE	MC-6 RELOCATION	MC-7 EXCESS
CUM OPENING BALANCES	3,959.30	21,773,952.47	230,887.98	48,726.24	69,280.28	.00	.00
RECEIVED	.00	2,095,804.06	.00	6,147.59	3,361.10	.00	.00
ISSUED	.00	640,734.66-	.00	4,400.41-	5,751.93-	.00	.00
TRANSFERRED TO NEW MC	.00	.00	.00	.00	.00	.00	.00
CUM CLOSING BALANCE	3,959.30	23,229,021.87	230,887.98	50,473.42	66,889.45	.00	.00

TOTAL VALUE OF ALL MATERIEL CLASSES: 23,581,232.02

FIGURE 8. RPMMS PROJECT CLOSEOUT REPORT

BATCH: 030 AS OF 09/21/99 PROJECT CLOSEOUT REPORT FOR JOB ORDER 60209 JOB MMPB1970 REG 1 PAGE NO 1

DOCUMENT NO: 9 60209

PIN	COST CNTR	FCLT LOC	FCLT TYPE	NSN	SFX	CONTR	MODEL	SERIAL	YR MFG	O W	ASSET	UNIT PRICE	RECORD NUMBER
	84LH	ROA	402AB	FCLTEQP	00	1				1	61	32,316.00	0001
	84LH	ROA	402AB	INSTCHG	00	1				1	61	5,416.00	0002

TOTALS FOR JOB ORDER NUMBER 60209:

32-9F TOTAL	44,078.00
TEST EQPT TOTAL	.00
IN USE TOTAL	.00
FACILITY EQPT TOTAL	32,316.00
INST CHG TOTAL	5,416.00
REAL PROP TOTAL	6,346.00
EXPENSE TOTAL	.00

This report provides a listing showing how the dollars from a specific JON were closed out to other inventories (or expensed). It can be printed locally as needed and is not generated from RPMMS month-end processing.

FIGURE 9. RPMMS PROJECT MATERIEL BATCH TRANSACTION CONTROL REPORT - PROJECT COMPLETION

BATCH: 030 PROJECT MATERIEL BATCH TRANSACTION CONTROL RPT-PROJECT COMPLETION RIS AA 2700-50 REG 1 JOB MMPB1960 PAGE NO 1

AS OF 09/21/99

COST CNTR	M C	JOB ORDER NUMBER	NATIONAL STOCK NUMBER	EQUIPMENT TYPE DESCRIPTION	QUANTITY	UNIT PRICE	TOTAL AMOUNT	ALPHA LOC.	AT CD	W H	F S	O W	FAC TYPE	DOCUMENT NUMBER	RECD NMBR
8GB0	2	440 60209	6120-00-000-0001	LOAD BANK	1	7,506.34	7,506.34	ROA	60	X	2		402AB	9 60209	0001
8051	2	440 60209	6120-00-000-0002	TRANSFORMER	1	24,810.00	24,810.00	ROA	60	X	2		402AB	9 60209	0002
							32,316.34			ASSET CLASS					
							32,316.34			BATCH TOTAL					
							0.00			FUND SRC 1					
							32,316.34			FUND SRC 2					
							0.00			FUND SRC 3					
REC COUNT		2					32,316.34			REGION TOT					

This report provides a listing of items closed out from a specific batch number. It can be printed locally as needed and is not generated from RPMMS month-end processing.

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APPENDIX D

ACRONYMS

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ABU	Office of Budget
AF	Airway Facilities
AMC	Mike Monroney Aeronautical Center
AMS	Acquisition Management System
ANI	NAS Implementation Program
APB	Acquisition Program Baseline
BAM	Budget Allowance and Allotment Module
BFM	(F&E) Budget Formulation Module
BPA	Blanket Purchase Agreement
BXM	Budget Execution Module
CAF	Cost/Asset/Function
CIP	Capital Investment Plan
CLIN	Contract Line Item Number
DAFIS	Department Accounting and Financial Information System
DJO	Detailed Job Order (report)
DOD	Department of Defense
DOT	Department of Transportation
EDDA	Environmental Due Diligence Audit
F&E	Facilities and Equipment
f.o.b.	Free On Board
FAA	Federal Aviation Administration
FAALC	FAA Logistics Center
FSEP	Facility Service Equipment Profile
FSI	Field Spares Inventory
GBL	Government Bill of Lading
GFP	Government Furnished Property
GSA	General Services Administration
HAZ/OSHA	Hazardous/Occupational Safety and Health Administration
IC	(AF ANI NAS) Implementation Center
IOTV	Inter Office Transfer Voucher
IPP	Integrated Program Plan
IPT	Integrated Product Team
ISR	Inservice Readiness Review

JAI	Joint Acceptance Inspection
JCN	Jon Control Number
JON	Job Order Number
JRC	Joint Resource Council
LIS	Logistics and Inventory System
LSSC	Logistics Support Service Contract
MAC	Materiel Asset Cost (code)
MC	Materiel Class
MDFM	Materiel Data Forecast Module
NAILS	NAS Integrated Logistics Support
NAS	National Airspace System
NISC	NAS Integration Support Contract
OMB	Office of Management and Budget
OPS	Operations
PA	Project Authorization
PCN	Project Control Number
PMC	Project Materiel Cumulative (report)
PML	Project Materiel List
PMMS	Project Materiel Management System
PP&E	Property Plant and Equipment
PPIMS	Personal Property In-Use Management System
PR	Procurement Request
PSR	Project Status Report
PT	Product Team
R&A	Requirements and Asset (report)
REMS	Real Estate Management System
RLIN	Requisition Line Item Number
RO	Regional Office
RPI	Real Property Inventory
RPMMS	Regional Project Materiel Management System
RPR	Real Property Record System
RTP	Resource Tracking Program
SF	Standard Form
SOP	Standard Operating Procedure

SMO	Systems Management Office
SSC	Supply Support Code
TSSC	Technical Support Service Contract(or)
WIM	Washington Item Manager

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APPENDIX E

CODING OF F&E ACQUISITIONS

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Purchase Description	OC	C A F*	Note
Aboveground storage tanks	31	3 2 0	
Administrative supplies	26	0 0 0	1
Antenna UHF/VHF	31	2 4 0	
Asbestos abatement	25	0 0 0	
Batteries	26 31	0 0 0 2 4 0	
Chair	31	0 0 0	
Computer printers	31	7 5 0	
Computer technical support	25	0 0 0	
Computer, desk top	31	7 5 0	
Computer, notebook	31	7 5 0	
Construct a 95' to cab floor height ATCT and a 1,900 sq.ft admin base building	25	3 2 0	
Construct a RCF RCO with RCL	25	3 4 0	
Construct and replace ILS	25	3 3 0	
Construct ASR-9 building	25	3 2 0	
Contract labor hours (TSSC)	25	9 V 0	2, 3
Contractor labor hours (other than TSSC)	25	V V 0	2, 3
DC current sensor	26	2 4 0	
Deliver and install control tower shades	26	7 2 0	
Design services for terminal facility modification	25	1 3 0	
Design, manufacture, deliver, install noise control baffles for ARSR-4 equipment	25	2 4 0	
Dismantle existing facility	25	V V 0	2
EDDA	25	1 1 0	
Electrical supplies	26	V V 0	2, 3, 4
Engineering services, troubleshooting at airport	25	V V 0	2
Engineering, construction, installation to relocate a RGAC to a VOR	25	V V 0	2
Fabricate, deliver and unload 2 hazardous material storage concrete buildings	25	3 3 0	
Fax modem	31	7 5 0	
Fire extinguisher	26	0 0 0	
Fork lift	31	7 7 0	
Furniture	31	0 0 0	
Fuseblock	26	3 3 0	

* A "V" in one of the CAF code positions indicates one or more of the Notes apply.

Purchase Description	OC	C A F*	Note
Gateway 2000 memory upgrade	31	0 4 0	
Hand tools; e.g., hammer, screw driver	26	0 4 0	
Hand-held power tools; e.g., drill	31	0 0 0	
Install 2 new 15-ton HVAC systems, provide ducting, electrical, piping, and all associated work	25	3 2 0	
Install 200 AMP Panel for ATCT	25	3 3 0	
Install ARSR	25	4 4 0	
Install new power distribution unit and manual bypass switch	25	4 4 0	
Install oak chair rail and paint walls	25	3 V 0	3
Install sprinkler system	25	3 2 0	
Install windows in doors, secure bulletin board to wall, fill in hole in wall on tower	25	3 V 0	3
LAN card	26	7 5 0	
Land lease	32	0 0 0	
Lawn Tractor	31	7 7 0	
Leased telecommunication equipment	23	0 0 0	
Leased telecommunication lines	23	0 0 0	
Light gun battery powered signal	31	2 7 0	
Monitor, 9"	31	7 5 0	
NICAD batteries	31	4 4 0	
Nuts, bolts, wires, fastners, washers, etc.	26	V V 0	2, 4
Oscilloscope	31	2 4 0	
Paint stair skirt	25	3 2 0	
Paving of access road	25	3 3 0	
Perform site survey and develop CSER for installation of fiber optic link	25	1 3 0	
Photograph monitor elevations and generator buildings	24	1 3 0	
Power supply	31	4 4 0	
Pre-fabricated shelter	31	3 3 0	
Prepare contract drawings, specifications, and construction estimate	25	1 2 0	
Printer cartridges	26	0 0 0	
Refurbish ASR-9 by modifying assembly, installing new platform grating & handrail	25	3 3 0	
Relaminate cabinetry	25	3 2 0	
Remove and replace existing fuel piping between fuel tank and day tank	25	3 V 0	2, 3

* A "V" in one of the CAF code positions indicates one or more of the Notes apply.

Purchase Description	OC	C A F*	Note
Remove damaged roofing on building and install 1' insulation as needed and reroof 60" x 12' section.	25	0 0 0	
Remove Underground Storage Tanks	25	3 3 0	
Rental of conference space	23	V V 0	2, 5
Repair parking lot and sidewalk	25	0 0 0	
Replace existing UPS with new 62.5 KVA UPS.	25	4 4 0	
RF link 2 w, UHF basic simple	31	4 4 0	
RF patch panel	31	4 4 0	
Shelving	31	3 V 0	3
Shipping charges	22	V V 0	2, 3, 5
Site preparation for ARSR construction	25	2 3 0	
Snowmobile sled and cover	31	7 7 0	
Soldering iron and gelder wire	26	7 V 0	4
Spectrum analyzer	31	2 4 0	
SQL client licenses	31	0 0 0	
Subscription for site support of network	26	0 0 0	
Supply and install cabinets	25	3 2 0	
Supply and install consoles at ATCT	25	3 2 0	
Systems furniture	31	0 0 0	
Telecommunications equipment (purchase)	31	4 4 0	
Telecommunication services (one time cost for set up on new construction)	23	3 2 0	
Telecommunication services (recurring charges)	23	0 0 0	
Trailer intended for mobile use, not permanent setup	31	7 7 0	
Training on repair and maintenance of sensors	25	0 0 0	
Training, Introduction to SQL	25	0 0 0	
Transceiver	31	2 4 0	
Trash removal	25	0 V 0	4
Uninterruptible power source (UPS)	31	2 4 0	
Upgrade ATCT/TRACON security system	25	3 2 0	
Vegetation control (landscape fabric & crushed stone)	25	3 1 0	
Workbench shop top	26	V V 0	3

* A "V" in one of the CAF code positions indicates one or more of the Notes apply.

Notes:

1. **Expense Items -** For purchases that will be expensed at time of acquisition, use a 000 CAF code.

2. **Real versus Personal Property** - Many purchases may have different CAF codes depending on whether or not the purchases will be used as part of a real or personal property asset. E.g., a site preparation for an ARSR should be coded "230" if the site preparation is related to the real property structure upon which the ARSR will sit. It should be coded "440" if the site preparation is related to the actual installation of the ARSR. Because of this, the CAF column will sometimes contain more than one code.

3. **Maintenance versus Improvement** - If work being done does not result in an improvement to an asset, then it should be coded with a "0" in the second position of the CAF code. If it does, then the second position would contain the code matching the asset being improved. When deciding, consider the asset as a whole, not the individual work, e.g., relaminating cabinetry, if strictly a maintenance action, would be coded with a "0" in the second position of the CAF code. If this work was done as part of a TRACON improvement project, then it would have a "2" in the second (asset code) position.

4. **Project versus Individual Cost Element** - When determining whether or not a purchase should be coded as an expense ("0" in the second, asset code position), you need to look at the scope of the project and any resulting assets. Do not code something as a "0" simply because the individual purchase may not meet the capitalization criteria, e.g., electrical supplies may be inexpensive and as such could be expensed, but if used as part of a construction project, then those costs would be capitalizable, and should be coded appropriately.

5. **Capitalizing Non-capital Costs** - Some costs would, in and of themselves not be considered as part of a capital asset; e.g., short term rental of storage space. However, if this space rental is required in order to complete the project because equipment has to be moved out temporarily to renovate the space, then it would be a legitimate project cost and should be considered for capitalization.

APPENDIX F

TSSC MATERIEL AND ACCOUNTING REQUIREMENTS

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1. **TSSC CONTRACT REQUIREMENTS**. IC issues TSSC work releases against the national TSSC contract to obtain services necessary to accomplish site selection, site preparation work, installation, and test work related to the NAS. "Equipment" to be installed under TSSC should be furnished by the FAA. Equipment refers to those items for which Washington headquarters or the region normally budget and acquire through their contracts/orders. TSSC procurement of this equipment is not normally within the contract scope. Equipment as used in this sense does not mean materials like lumber, concrete, fuses, wire etc., required to install F&E systems or subsystems. TSSC is not intended to fill the gap when FAA supply contracts fail to provide the required equipment. Instead, explore other FAA logistics alternatives for those circumstances, include borrowing or "leapfrogging" available equipment from lower priority sites to meet time constraints for high priority sites. The IC and F&E project materiel manager coordinate such activities with the headquarters IPT.

2. **MANAGING MATERIEL ACQUIRED BY/SUPPLIED TO TSSC.** TSSC manages and accounts for materiel obtained through or used as a result of TSSC national and regional work releases in accordance with applicable FAA policies and procedures, as well as their approved materiel management plan. Materiel includes both nonexpendable and expendable property, regardless of where the property is located. Nonexpendable property normally does not lose its identity in performance of a work release. Examples include towers, computer systems, measuring tools, cameras, and test devices. Expendable property is normally consumed in the performance of a work release. Examples include installation hardware and gaskets.

a. TSSC will annotate all materiel and property it purchases on back-up sheets included with its invoice, titled "acquired property reports," provided with the TSSC monthly invoice. It lists

items invoiced for the current period. A summary acquired property report (for each location included in the work release) will be furnished as part of the work release's closeout information to provide a recap of all TSSC-purchased items chargeable to that work release. While TSSC is responsible for relating materiel and dollars to a specific site, the TSSC ATO is responsible for relating the site to a specific JON, prior to the information being forwarded to the F&E project materiel managers. This provides F&E project materiel managers and accounting offices the information necessary to relate the inventory to a specific JON (site) when a work release includes multiple JONs.

HINT. To make sure the IC ATOs provides a copy of the Contractor Acquired Property (CAP) report to logistics, TSSC will provide a copy of the CAP directly to the ANI EC.

b. For Government furnished and contractor acquired property installed or incorporated within a facility, TSSC will use FAA Form 4650-12 to return accountability for the GFP/CAP to the FAA. For GFP, the 4650-12 that originally provided the property will be attached to the return document.

c. TSSC is not authorized to remove materiel from a site for any reason without prior coordination with the applicable SMO manager, F&E project engineer, and the F&E project materiel manager.

3. **ACCOUNTING FOR TSSC ACQUISITIONS**.

a. Accounting must use cost code "9" when entering TSSC contract costs to DAFIS. A "reserved" line will then be displayed on the 32-9F report. This will differentiate TSSC contract costs from other contract costs.

b. The F&E project materiel manager must use Warehouse Code "T" and "TSSC" as the document number when entering TSSC purchases into RPMMS. This will ensure they are readily identifiable and will not be commingled with non-TSSC purchases of like items in RPMMS. TSSC acquisitions should be entered into RPMMS as Fund Source 2 (regionally funded) materiel or Transaction Code 83. TSSC acquisitions input into RPMMS must be identified so accounting will know not to add them to DAFIS as regionally acquired materiel. This can be done by a note on the batch control sheet that is submitted to accounting with the regional F&E batch.

c. The IC planning platform must provide the F&E project materiel manager an up-to-date report cross-referencing the TSSC work release/"DO"/location/JON through the regional administrative contracting officer.

d. TSSC materiel purchases will not be included in the "Materiel" column of the 32-9F report. They will be contained with all other TSSC contract costs under the "Other Costs" column. While regionally funded materiel purchases reflected on the 32-9F report will not match those on the PMC, using "TSSC" as the document number in RPMMS will easily show what materiel on the PMC was purchased by TSSC. By adding up those amounts and then subtracting the sum from the PMC Fund Source 2 total on the PMC, the two reports should generally agree.

e. Accounting may also make a one-time adjustment between the "Materiel" and "Other Costs" columns at the end of the project, prior to closeout, if desired. However, because all regionally funded items on the 32-9F report (including labor, travel, materiel, other costs, and overhead costs) are in the same work-in-process account in DAFIS, this is not required.

4. **DOCUMENTING TSSC CHARGES**. Because of the unique structure of national and regional TSSC work releases, the monthly, regional TSSC invoice cover sheet along with the IC's monthly Accounting Payment Sheet (produced by the UNITRACK system) is sufficient support to justify TSSC charges. Each month, the TSSC ATO will provide the F&E project materiel manager with both the invoice cover sheet and the Unitrack report. A sample of the report is shown on page F-7.

a. To determine what JONs were used on a given project, particularly for CL&T, use the Unitrack "Capitalization Report". It will be necessary to run the report in a series to make sure that all the funds used are found. The following process is based upon the assumption that a project JON is the starting point for the process.

(1) Enter the Unitrack "File" menu, and select "Generate Reports" and choose the "Capitalization Report" from the menu.

(2) Next select either "print" or "preview" as desired and a "Select Parameters" data entry form will appear.

(3) Enter only the project JON into the "Select Parameters" form and click "OK".

(4) Figure 1 shows an example of the resulting report showing all the work releases and locations where that JON was used for an invoice payment; print it for later reference when running subsequent reports.

Accounting Payment Sheet

DTFA01-95-C-00015

Invoice #: 0005
Invoice Date: 09/16/1996
Performance Date From: 07/27/1996
Performance Date To: 08/23/1996

DAFIS Suffix	JON		Amount Paid
95-014	58162	.....	$34.49
96-155	61079	.....	$66,496.88
96-157	56019	.....	$16.38
96-158	40443	.....	$573.54
96-161	40313	.....	$62.24
96-162	40183	.....	$15.85
96-164	41213	.....	$34.25
96-165	40893	.....	$111.59
96-167	56144	.....	$170.22
96-174	40903	.....	$17.75
96-176	40423	.....	$9.72
96-177	40031	.....	$1,985.35
96-377	41519	.....	$23.87
96-441	67102	.....	$71.42
96-687	56019	.....	$5,706.43
		Invoice Total:	$75,329.98

Unitrack 3.06

Capitalization Report

For JON 58162

WR#	JON	Inv Loc ID	Facility (from WR allocation line)	Invoiced Labor	Invoiced Material
0001	58162	QFI	ARSR-4	$0.00	$120,913.36
0001	58162	QJA	ARSR-4	$0.00	$52,784.38
0001	58162	QJD	ARSR-4	$0.00	$23,616.80
0001	58162	QWA	ARSR-4	$0.00	$206,225.87
Totals:				**$0.00**	**$403,540.41**

Figure 1 - Report showing WR # and locations where a JON was used

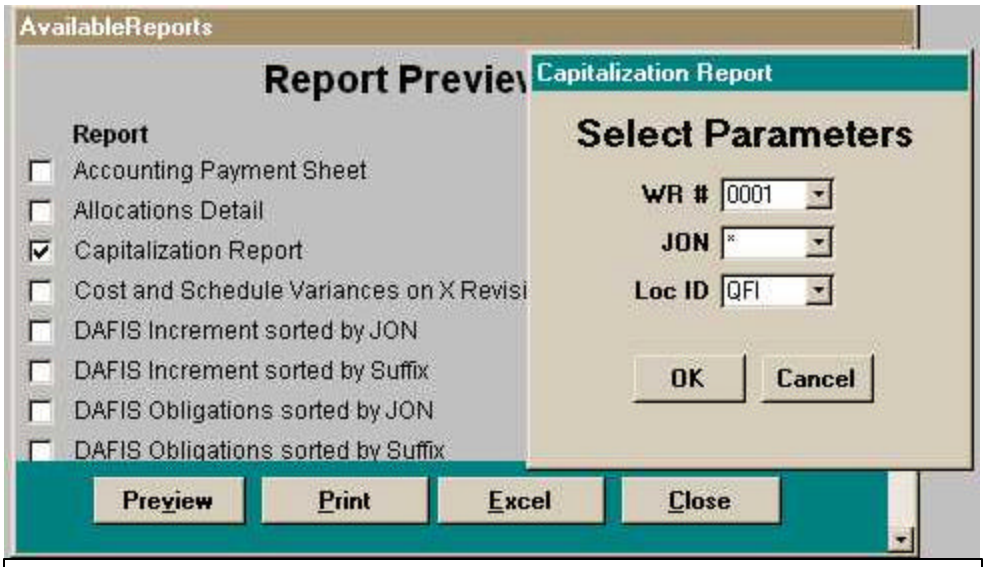

Figure 2 Entering the WR # and Location into Unitrack

Capitalization Report

For Work Release #0001
Loc ID QFI

WR#	JON	Inv Loc ID	Facility (from WR allocation line)	Invoiced Labor	Invoiced Material
0001	58162	QFI	ARSR-4	$0.00	$120,913.36
0001	58192	QFI	ARSR-4	$0.00	$115,000.00
0001	61079	QFI	ARSR-4	$58,030.00	$0.00
0001	71059	QFI	ARSR-4	$23,599.00	$0.00
0001	87109	QFI	ARSR-4	$31,345.35	$0.00
Totals:				**$112,974.35**	**$235,913.36**

Figure 3 Report showing invoiced costs for all JONs at a given location

5. **RETASKING TSSC OBLIGATIONS BETWEEN PROJECTS**. Offices using the TSSC can reassign work to locations other than those specified in work releases before or after expiration of funds. This situation does not imply a "movement of funds" in the budget vernacular, merely reassigning tasks.

a. TSSC obligations may be used for TSSC costs at any valid work location under a work release. Those funds may be allocated and deallocated from a work release as best suits the needs of the F&E organization responsible for those funds.

(1) Because TSSC funds are obligated on one document, subsequent work releases utilize the original contract number and fund citation. Canceling a work release and creating another does not constitute a de-obligation and re-obligation of funds.

(2) Separate work releases under a master contract do not constitute additional obligations to the original contract.

b. You can only move TSSC funds to another BLI (reprogramming) if the appropriation is still active for obligation and then only with the prior approval of the cognizant IPT.

c. Retasking of expired obligations within the TSSC must conform to the following:

(1) The source and recipient JON must be from the same appropriation year.

(2) The source and recipient JON must be from a related BLI, where the first two levels (numbers) of the BLI are the same.

d. When TSSC obligations are to be retasked, the Undelivered Orders (UDO) of the source JON will be manually moved in DAFIS to the destination JON and the same obligation movement must be accomplished in Unitrack. This procedure is necessary to facilitate proper capitalization of costs to the correct site (JON). The servicing accounting office must require appropriate documentation before modifying the obligation in DAFIS for these transactions. The office under which the funds are obligated, or ANI Engineering Center, is required to provide a memorandum to the servicing accounting office that attests to the same appropriation, 2-level BLI, and scope since the accounting office cannot readily determine this. The memorandum shall include the following:

(1) The original accounting classification code, describing the complete original coding.

(2) What the receiving accounting classification code should be, including the correct cost-asset-function (CAF) codes.

HINT. In Unitrack, retasking obligations is accomplished from the "View EEP Data Sheet"/"Details" button.

(3) The amount of the obligation to be transferred.

(4) Attach a copy of the DAFIS I.H.2 Report, highlighting the document number(s) of the transactions for which the request is made; and attach a copy of the obligating contract modification, if applicable.

(5) A copy of the memorandum, DAFIS I.H.2 report and any applicable contract modification shall be placed in the original and the receiving JON File.

HINT. To more specifically illustrate the BLI restriction, the following example is provided:

Although the FAA budget item descriptions change every year, they generally follow the same overall convention. For example, in the FY-2001 budget, the 2 letter level items that are concern to the TSSC would be:

2. Procurement and Modernization of ATC Facilities and Equipment
   2a. En Route Programs
   2b. Terminal Programs
   2c. Flight Service Programs
   2d. Landing and Navigational Aids Programs
   2e. Other ATC Programs

3. Procurement and Modernization of Non-ATC Facilities and Equipment
   3a. Support Equipment
   3b. Training, Equipment and Facilities

Under this interpretation, TSSC retasking may be accommodated between any program under the 2a category, En Route Programs, of which there are 12 discrete 4 letter level budget line items. Retasking from a 2a program to another 2 letter budget item (2b, 2c, 3a, etc.) would not be allowable. This interpretation will allow retasking flexibility, while adhering to appropriation law provisions.

The accounting procedures to be carried out by the accounting technician in the servicing account office for recording the adjustment in DAFIS are as follows:

To transfer undelivered orders from the original JON to the revised JON, use transaction code (TC) 051 2 and TC 051 respectively, processing both in the same batch. The transfer must be in the same appropriation. The "prior year recovery flag" (PYR-Flag on DAFIS Format 03 screen), should be set to "N".

To transfer accrued expenditures-unpaid from the original JON to the revised JON, use TC 073 2 and TC 073 respectively, processing both transactions in the same batch. The transfer must be in the same appropriation. The "PYR-Flag" should be set to "N".

To move the payment data from one JON to another, use a "G" schedule and TC 230 and TC 128 respectively, processing both transactions in the same batch. The transfer must be in the same appropriation and 2-digit BLI as described on the previous page.. The "PYR-Flag" should be set to "N".

APPENDIX G

DAFIS/RPMMS TO RTP STATUS CODE CROSSWALK

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DAFIS/RPMMS CODES	DAFIS/ RPMMS NAME	DEFINITION	Related RTP CODE
1	Active	Identifies a project on which work is currently and actively being performed. The project has a PA and DAFIS data. The project should also have a schedule in RTP.	A/E
2	Reserved	Identifies those projects either unscheduled, or on which work has been put on hold, such as a low priority project temporarily deferred pending completion of higher priority work. Only nationally funded materiel charges will be accepted.	H/R/U
3	Physically Complete	This code identifies a physically completed project which has had JAIs performed and which has been accepted for maintenance by the organization chief. Additional obligations may be recorded against a project with this status code, and it is pending liquidation of outstanding obligations.	C
4	Financially Complete	Identifies a physically completed project for which all costs pertaining to the project have been recorded in the accounting records at the expended stage, and excess funds have been withdrawn. It designates the point at which full project closeout action is required prior to capitalization.	No Matching Code
5	Closed and Capitalized	Identifies projects in which all materiel acquired for a project has been cleared from the project materiel inventory records with applicable financial ledgers updated, and are awaiting financial rollup.	F
6	Financially Expired, Physically Incomplete	Identifies projects funded by an appropriation which has expired prior to its physical completion. The unfinished portion of the project is to be included under a companion job order funded by a different appropriation. Upon physical and financial completion of the companion job order(s) applicable to the original project, all related job orders should be concurrently changed to project status 4. Balances applicable to projects in status 6 may be adjusted upon liquidation of the outstanding obligations. Only nationally-funded materiel charges will be accepted.	A
7	Physically Complete, No Additional Charges Allowed	Identifies physically completed projects on which joint acceptance inspection has been performed, and have been accepted for maintenance by the SMO manager. Unlike Status 3, however, no charges are authorized to be made against the project.	C/X

RTP CODE	RTP NAME	DEFINITION	Related DAFIS/ RPMMSCODE
A	Active	Identifies a project on which work is currently and actively being performed. The project has a PA and DAFIS data. The project should also have a schedule in RTP.	1/6
B	Budget	A project included in the Budget submission.	NA
	Cplete	Identifies a physically completed project in which JAIs have been performed and that has been accepted for maintenance by the organizational manager. The project is pending (financial completion) and capitalization.	3/7
	Funding	Identifies JCNs where money has been PA'd for various locations. There is no schedule, and the JCN is not forward for resources.	½
F	Closed & Capitalized	The project is physically and financially closed. All materiel for the project has been cleared from the project materiel inventory records with applicable financial ledgers updated.	5
H	Hold	A project that previously had been active. Identifies a project where work has been stopped. Its future is uncertain. Remarks (in RTP) should reflect why the project is on hold. The project has a PA and DAFIS data.	2
M	MDFM	A project based on an equipment delivery record that is the MDFM. The project doe not have a PA nor was it included in the regional budget submission.	NA
R	Reprogram	The project is a candidate for reallocation of funds, change of scope, place-name change, etc.	2
U	Unscheduled	Identifies a project on which the work is not currently actively being performed.	2
X	Canceled	Project requirement has been terminated, and funding has been withdrawn.	7
Z	Planning	Project that is non-validated, non-scheduled, has no PA, and no DAFIS data. This is strictly for planning purposes.	NA